



STATE OF MICHIGAN ENTERPRISE PROCUREMENT

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

CONTRACT CHANGE NOTICE

Change Notice Number 27
to
Contract Number MA071B3200100C

CONTRACTOR	CGI TECHNOLOGIES AND SOLUTIONS INC
	11325 Random Hills Road
	Fairfax VA 22030-6051
	Patricia McCabe
	650-483-1737
	patricia.mccabe@cgi.com
	CV0059354

STATE	Program Manager	Various	Various
STATE	Contract Administrator	Mecca Martin	DTMB
		5172305694	
		MartinM42@michigan.gov	

CONTRACT SUMMARY				
Modified Adjusted Gross Income (MAGI) Eligibility Determination Service				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
May 31, 2013	May 30, 2016	7 - 1 Year	April 30, 2025	
PAYMENT TERMS		DELIVERY TIMEFRAME		
Net 45		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (PRC) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	0 Months	<input checked="" type="checkbox"/>	2 Years	April 30, 2027
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$66,960,641.38		\$6,579,464.40	\$73,540,105.78	
DESCRIPTION				
Effective 10/29/2024, this Contract is extended 24months, and is increased by \$6,579,464.40. The revised contract expiration date is 4/30/2027.				
All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Central Procurement Services approval, and State Administrative Board approval on 10/29/2024.				

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

AGENCY	NAME	PHONE	EMAIL
DTMB	Sanjay Srivatava	517-241-1417	SrivastavaS1@michigan.gov
MDHHS	Logan Dreasky	517-241-5414	DreaskyL@michigan.gov

STATEMENT OF WORK

IT CHANGE NOTICE

Project Title: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service Contract Extension – 2 Years	Period of Coverage: 05/01/2025– 04/30/2027
Requesting Department: Michigan Department of Health and Human Services (MDHHS)	Date: 09/10/2024
DHHS Business Owner: Logan Dreasky	Phone: (517) 241-5414
DTMB Program Manager: Sanjay Srivastava	Phone: (517) 373-8836
DTMB Contract Administrator: Mecca Martin	Phone: (517) 230-5694

1. PROJECT OBJECTIVES

- 1.1 Recognize that effective 8/10/2024, the storage location of the secondary secure data center has been relocated from Philadelphia, PA to Manassas, Virginia. All existing terms and conditions related to data hosting, storage and recovery are still applicable and have not changed due to the relocation of the secondary secure data center.
- 1.2 Extend the contract services by a 2-year period, for a revised Contract end date of April 30, 2027, supporting:
 - Continue Hosting-Related Maintenance and Operations (M&O).
 - Continue Hosting-Related Maintenance and Operations (M&O) Application-Related Maintenance and Support services.
 - Continue ongoing enhancements.

2. SCOPE OF WORK AND DELIVERABLES

- 2.1 Provide all currently applicable services in accordance with the terms and conditions set forth in the Original Contract as well as agreed upon terms in subsequent CNs for the duration of this SOW.
- 2.2 Contractor will continue to provide the Application-Related Maintenance and Support services resource team as outlined below for the duration of this SOW.

The below table replaces CN26, 2.2 for the period of 05/01/25 to 04/30/27. Resource roles will be available up to the number of annual hours shown below for State planning support:

<u>Contract Role</u>	<u>Weekly Hours</u>	<u>Annual Hours*</u>
Project Manager	35	1680
Jr System Analyst	15	720
System Analyst	40	1920
QA Manager	40	1920
Technical Lead	30	1440
TOTAL	160	7680

*Annual hours are calculated on 48 weeks (4 week/month)

- 2.3 ONGOING ENHANCEMENTS as described in CN26 must continue for the duration of this SOW.

3. PAYMENT SCHEDULE AND PRICING

- 3.1 Total SOW value is \$6,579,464.40 for 24-month term 05/01/2025 – 04/30/2027
- 3.2 Contractor shall invoice monthly from 05/01/25-04/30/26, at the firm fixed rate shown below:

Service	Cost (\$)
Hosting-Related Maintenance and Operations (M&O):	
Hosting	\$100,620.25
Security Services	\$10,014.10
Oracle Software License & Maintenance	\$36,250.00
Total Month Hosting-Related Maintenance and Operations (M&O)	\$146,884.35
Total Month Application-Related Maintenance and Support	\$125,400.00
Total Monthly Cost:	\$272,284.35

3.3 Contractor shall invoice monthly from 05/01/26-04/30/27, at the firm fixed rate shown below

Service	Cost (\$)
Hosting-Related Maintenance and Operations (M&O):	
Hosting	\$100,620.25
Security Services	\$10,014.10
Oracle Software License & Maintenance	\$36,250.00
Total Month Hosting-Related Maintenance and Operations (M&O)	\$146,884.35
Total Month Application-Related Maintenance and Support	\$129,120.00
Total Monthly Cost:	\$276,004.35

3.4 The following rate card (CN26 rate card) shall apply for the period from May 1, 2026 to April 30, 2027:

Role	Hourly Rate
Project Manager	\$252.00
System Analyst	\$180.00
QA Manager	\$180.00
Technical Lead	\$232.00
Jr. System Analyst	\$140.00



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

CONTRACT CHANGE NOTICE

Change Notice Number **26**
 to
 Contract Number **071B3200100**

CONTRACTOR	CGI TECHNOLOGIES AND SOLUTIONS INC	STATE	Various	MDHHS
	11325 Random Hills Road			
	Fairfax, VA 22030-6051			
	Patricia McCabe		Mecca Martin	DTMB
	650-483-1737		(517) 230-5694	
	patricia.mccabe@cgi.com		martinm42@michigan.gov	
CV0059354				

CONTRACT SUMMARY				
MODIFIED ADJUSTED GROSS INCOME (MAGI) ELIGIBILITY DETERMINATION SERVICE				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
May 31, 2013	May 30, 2016	7 - 1 Year	April 30, 2024	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	12 Months	<input type="checkbox"/>		April 30, 2025
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$63,595,825.18	\$3,364,816.20	\$66,960,641.38		
DESCRIPTION				
Effective 5/1/2024, this Contract is exercising the final option year for continued M&O and is increased by \$3,364,816.20. The revised contract expiration date is 4/30/2025.				
All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Central Procurement Services approval, and State Administrative Board approval on 4/23/2024.				

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

AGENCY	NAME	PHONE	EMAIL
DTMB	Sanjay Srivatava	517-241-1417	SrivastavaS1@michigan.gov
MDHHS	Logan Dreasky	517-241-5414	DreaskyL@michigan.gov

STATEMENT OF WORK IT CHANGE NOTICE

Project Title: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service Contract Extension – One Year Option	Period of Coverage: 05/01/2024 – 04/30/2025
Requesting Department: Michigan Department of Health and Human Services (MDHHS)	Date: 04/11/2024
DHHS Business Owner: Logan Dreasky	Phone: (517) 241-5414
DTMB Program Manager: Sanjay Srivastava	Phone: (517) 373-8836
DTMB Contract Administrator: Mecca Martin	Phone: (517) 230-5694

1. PROJECT OBJECTIVES

- 1.1 Extend the existing contract services with the additional 1-year option.
- 1.2 Continue Hosting-Related Maintenance and Operations (M&O).
- 1.3 Continue Hosting-Related Maintenance and Operations (M&O) Application-Related Maintenance and Support services.

2. SCOPE OF WORK AND DELIVERABLES

- 2.1 Provide all currently applicable services in accordance with the terms and conditions set forth in the Original Contract as well as agreed upon terms in subsequent Change Notices (i.e., there is no change from prior contract and/or signed and approved change notices).

2.2 Contractor will continue to provide the Application-Related Maintenance and Support services resource team as outlined below:

Resource roles will be available up to the number of annual hours shown below for State planning support:

<u>Contract Role</u>	<u>Weekly Hours</u>	<u>Annual Hours</u>
Project Manager	35	1820
Jr System Analyst	15	780
System Analyst	40	2000
QA Manager	40	2000
Technical Lead	30	1560
TOTAL	180	8160

3. ONGOING ENHANCEMENTS

3.1 In addition to M&O support, the Application-Related Maintenance and Support services resource team will continue to design and provide testing for any approved work items by the SOM for the duration of this Statement of Work.

3.2 The State will plan work by the capacity based on the Application-Related Maintenance and Support services resource team providing the hours of service as outlined above.

3.3 The State will determine if the Application-Related Maintenance and Support services resource team assigned work is categorized as M&O or Minor Enhancement.

3.4 Time Tracking – Contractor will submit time for task as assigned in the State Enterprise Project Management Methodology (PMM) tool. Reports generated from this tool will be used in part to validate resource hours and allocate costs back to project effort.

4. PAYMENT SCHEDULE AND PRICING

4.1 Total SOW value is \$3,364,816.20 for 12-month term

4.2 Contractor shall invoice monthly from May 1, 2024 – April 30, 2025, at the firm fixed rate shown below:

<u>Service</u>	<u>Cost (\$)</u>
Hosting-Related Maintenance and Operations (M&O):	
Hosting	\$100,620.25
Security Services	\$10,014.10
Oracle Software License & Maintenance	\$36,250.00
Month Total Hosting-Related Maintenance and Operations (M&O)	\$146,884.35
Month Total Application-Related Maintenance and Support	\$133,517.00
Total Monthly Cost:	\$280,401.35

4.3 The following rate card replaces the CN21 rate card and shall apply when quoting optional future services:

<u>Role</u>	<u>Hourly Rate</u>
Project Manager	\$245.00
System Analyst	\$175.00
QA Manager	\$175.00
Technical Lead	\$225.00
Jr. System Analyst	\$135.00

5. CONTRACTOR KEY PERSONNEL

5.1 Contractor Project Manager

Steve Murphy
 773-263-7206
steven.murphy@cgi.com

5.3 Contractor Technical Lead

Vamsi Batchu
 850-566-3987
vamsi.batchu@cgi.com

5.4 Contractor Security Officer

Mike Garrison
 480-694-6478
michael.garrison@cgifederal.com



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

CONTRACT CHANGE NOTICE

Change Notice Number **25**

to

Contract Number **071B3200100**

CONTRACTOR	CGI TECHNOLOGIES AND SOLUTIONS INC
	11325 Random Hills Road
	Fairfax, VA 22030-6051
	Patricia McCabe
	650-483-1737
	patricia.mccabe@cgi.com
	CV0059354

STATE	Program Manager	Various	MDHHS
STATE	Contract Administrator	Mecca Martin	DTMB
		(517) 230-5694	
		martinm42@michigan.gov	

CONTRACT SUMMARY

MODIFIED ADJUSTED GROSS INCOME (MAGI) ELIGIBILITY DETERMINATION SERVICE

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
May 31, 2013	May 30, 2016	7 - 1 Year	April 30, 2023
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input checked="" type="checkbox"/>	12 Months	April 30, 2024
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$59,692,686.10	\$3,903,139.08	\$63,595,825.18		

DESCRIPTION

Effective 4/25/2023, this Contract is extended 12 months with 1 option year for continued M&O and is increased by \$3,903,139.08 The revised contract expiration date is 4/30/2024.

All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Central Procurement Services approval, and State Administrative Board approval on 4/25/2023.

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

AGENCY	NAME	PHONE	EMAIL
DTMB	Sanjay Srivatava	517-241-1417	SrivastavaS1@michigan.gov
MDHHS	Logan Dreasky	517-241-5414	DreaskyL@michigan.gov

STATEMENT OF WORK - IT CHANGE NOTICE

Project Title: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service Contract Extension – One Year with One Year Option	Period of Coverage: 05/01/2023 – 04/30/2024
Requesting Department: Michigan Department of Health and Human Services (MDHHS)	Date: 04/10/2023
DHHS Business Owner: Logan Dreasky	Phone: (517) 241-5414
DTMB Program Manager: Sanjay Srivastava	Phone: (517) 373-8836
DTMB Contract Administrator: Mecca Martin	Phone: (517) 230-5694

1. PROJECT OBJECTIVES

- 1.1 Extend the existing contract services and cost for 12-months with of an additional option of 1 year.
- 1.2 Continue Hosting-Related Maintenance and Operations (M&O).
- 1.3 Continue Hosting-Related Maintenance and Operations (M&O) Application-Related Maintenance and Support services.

2. SCOPE OF WORK AND DELIVERABLES

- 2.1 Provide services as described within Original Contract as well as agreed upon terms in subsequent Change Notices (i.e., there is no change from prior contract and/or signed and approved change notices).

2.2 Contractor will continue to provide the Application-Related Maintenance and Support services resource team as described within Change Notice 24.

2.3 The staffing during the 12-month term of this SOW is below:

<u>Contract Role</u>	<u>May 2023-April 2024</u>
Engagement Manager	.05
Project Manager	1
System Analyst	1
QA Manager	1
Technical Lead	1
Jr System Analyst	1
TOTAL FTE Count	5.05

3. ONGOING ENHANCEMENTS

3.1 In addition to M*O support, Contractor resources will continue to design and provide testing for any approved work items by the SOM for the duration of this Statement of Work. This work will be tracked under the “Maintenance” section of Application-Related Maintenance and Support.

3.2 The State may plan capacity based on resources providing 40 hours of service per week.

4. PAYMENT SCHEDULE AND PRICING

4.1 Total SOW value \$3,903,139.08 for 12-month term
 4.2 Contractor shall invoice monthly from May 1, 2023 – April 30, 2024, at the firm fixed rate shown below:

<u>Service</u>	<u>Cost (\$)</u>
Hosting-Related Maintenance and Operations (M&O)	
Hosting	\$112,435.63
Security Services	\$9,500.00
Oracle Software License & Maintenance	\$25,384.63
Total Hosting-Related Maintenance and Operations (M&O)	\$147,320.26
Application-Related Maintenance and Support	\$177,941.33

Total Monthly Cost:	\$325,261.59
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5. CONTRACTOR KEY PERSONNEL

5.1 Contractor Project Manager

Steve Murphy
773-263-7206
steven.murphy@cgi.com

5.3 Contractor Technical Lead

Vamsi Batchu
850-566-3987
vamsi.batchu@cgi.com

5.4 Contractor Security Officer

Vickie McCarty
706-839-3835
vickie.mccarty@cgifederal.com

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



CONTRACT CHANGE NOTICE

Change Notice Number **24**
 to
 Contract Number **071B3200100**

CONTRACTOR	CGI TECHNOLOGIES AND SOLUTIONS INC
	11325 Random Hills Road
	Fairfax, VA 22030-6051
	Stephen Arrants
	303-898-1876
	stephen.arrants@cgi.com
CV0059354	

STATE	Program Manager	Various	MDHHS
	Contract Administrator	Mecca Martin	DTMB
		517-230-5694	
		martinm42@michigan.gov	

CONTRACT SUMMARY

MAGI ELIGIBILITY DETERMINATION SERVICE			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
May 31, 2013	May 30, 2016	7 - 1 Year	April 30, 2021
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card	<input type="checkbox"/> PRC	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	24 Months	<input type="checkbox"/>		April 30, 2023
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$51,886,407.94	\$7,806,278.16	\$59,692,686.10		

DESCRIPTION

Effective 5/1/2021, the State and Contractor agree to a 24 month option that adds \$7,806,278.16; this cost represents savings of \$913,884.00 for on-going maintenance, support, hosting, and enhancements, the revised expiration date is 4/30/2023. Contractor must provide services in accordance with the attached statement of work. All other terms, conditions, specifications, and pricing remain the same. Per Contractor, Agency, and Central Procurement approval, and State Administrative approval on 4/27/2021.

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

AGENCY	NAME	PHONE	EMAIL
DTMB	Sanjay Srivatava	517-241-1417	SrivastavaS1@michigan.gov
MDHHS	Logan Dreasky	517-241-5414	DreaskyL@michigan.gov



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

Project Title: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service Contract Extension – Option Year Two and Three	Period of Coverage: 05/01/2021 – 04/30/2023
Requesting Department: Michigan Department of Health and Human Services (MDHHS)	Date: 04/20/2021
DHHS Business Owner: Logan Dreasky	Phone: (517) 241-5414
DTMB Program Manager: Sanjay Srivastava	Phone: (517) 373-8836
DTMB Contract Administrator: Mecca Martin	Phone: (517) 230-5694

1. PROJECT OBJECTIVES

- 1.1 Continue Hosting-Related Maintenance and Operations (M&O).
- 1.2 Continue Application-Related Maintenance and Support while transitioning and reducing resource hours and costs.

2. SCOPE OF WORK AND DELIVERABLES

- 2.1 Provide as described within Original Contract as well as agreed upon terms in subsequent Change Notices (i.e. there is no change from prior contract and/or signed and approved change notices).
- 2.2 Contractor must transition Oracle support from OPA specialists to internal staff over the term of this SOW and is responsible for appropriate training for internal staff to provide the same level of knowledge of the OPA tool.
- 2.3 The staffing must change over the term of this SOW as outlined below:

Contract Role	Months 1-9 (May 2021 – January 2022)	Months 10-15 (February 2022 – July 2022)	Months 16-24 (August 2022 – April 2023)
Engagement Manager	0.05	0.05	0.05
Project Manager	1	1	1
System Analyst	1	1	1
OPA Specialist	2	1	0
QA Manager	1	1	1
Senior Consultant (OPA)	0.21	0.21	0
Technical Lead	1	1	1
Jr System Analyst (May 2022)		1	1
Total FTE Count:	6.26	6.26	5.05

3. ONGOING ENHANCEMENTS

3.1 Contractor must continue to design and provide testing for any approved work items by the SOM for the duration of this Statement of Work. This work must be tracked under the “Maintenance” section of Application-Related Maintenance and Support.

3.2 The State may plan capacity based on resources providing 40 hours of service per week.

4. PAYMENT SCHEDULE AND PRICING

4.1 Total SOW value \$7,806,278.16 for 24 month term

4.2 Contractor must invoice monthly from May 2021 – April 2023 Maintenance and Current Ongoing Enhancements at the firm fixed rates shown below:

Service	Cost (\$)
Hosting-Related Maintenance and Operations (M&O)	
Hosting	\$112,435.63
Security Services	\$9,500.00
Oracle Software License & Maintenance	\$25,384.63
Total Hosting-Related Maintenance and Operations (M&O)	\$147,320.26
Application-Related Maintenance and Support	\$177,941.33
Total Monthly Cost:	\$325,261.59

4.3 The following amends the Contractor Staff adding two roles:

4.2.1 Engagement Manager – this role is a project oversight role and the hours were previously accounted for under the Project Manager hours. Moving forward, the effort (i.e. hours) and role must be identified separately from the Project Manager role.

4.2.2 In addition to the Personnel identified in the Contract, the following non-key resource must be provided by the Contractor for the MAGI Service Project as a Jr System Analyst:

4.4 The following amends the rate card recognizing the above roles and must apply when quoting optional future enhancements:

Role	Hourly Rate (\$)
Engagement Manager	225.00
Jr System Analyst	120.00

5. CONTRACTOR KEY PERSONNEL

5.1 Contractor Project Manager

Steve Murphy
773-263-7206
steven.murphy@cgi.com

5.2 Contractor OPA Specialist

Ed Petrick
734-386-6710
ed.petrick@oracle.com

5.3 Contractor Technical Lead

Vamsi Batchu
850-566-3987
vamsi.batchu@cgi.com

5.4 Contractor Security Officer

Vickie McCarty
706-839-3835
vickie.mccarty@cgifederal.com

Note: Beginning August 1, 2022, the Contractor Technical Lead must be responsible for the duties/activities of the Contractor OPA Specialist due to Contractor OPA Specialist role being transitioned off the project.



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CONTRACT CHANGE NOTICE

Change Notice Number **23**
 to
 Contract Number **071B3200100**

CONTRACTOR	CGI TECHNOLOGIES AND SOLUTIONS INC
	11325 Random Hills Road
	Fairfax, VA 22030-6051
	Stephen Arrants
	303-898-1876
	stephen.arrants@cgi.com
	CV0059354

STATE	Program Manager	Various	MDHHS
	Contract Administrator	Mecca Martin	DTMB
		517-230-5694	
		martinm42@michigan.gov	

CONTRACT SUMMARY

MAGI ELIGIBILITY DETERMINATION SERVICE

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
May 31, 2013	May 30, 2016	7 - 1 Year	February 28, 2021

PAYMENT TERMS	DELIVERY TIMEFRAME

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	2 Months	<input type="checkbox"/>		April 30, 2021

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
\$51,159,727.76	\$726,680.18	\$51,886,407.94

DESCRIPTION

Effective 3/1/2021, the State and Contractor agree to a two month option that adds \$726,680.18 for on-going maintenance, support, hosting, and enhancements, the revised expiration date is 4/30/2021. Contractor shall provide services in accordance with the attached statement of work. All other terms, conditions, specifications, and pricing remain the same. Per Contractor, Agency, and Central Procurement.

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

AGENCY	NAME	PHONE	EMAIL
DTMB	Sanjay Srivatava	517-241-1417	SrivastavaS1@michigan.gov
MDHHS	Logan Dreasky	517-241-5414	DreaskyL@michigan.gov

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

Project Title: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service Contract Extension – Option Year Two	Period of Coverage: 03/01/21-04/30/21
Requesting Department: Michigan Department of Health and Human Services (MDHHS)	Date: 01/22/21
DHHS Business Owner: Logan Dreasky	Phone: (517) 241-5414
DTMB Program Manager: Sanjay Srivastava	Phone: (517) 373-8836

1. PROJECT OBJECTIVES

1.1 Extend existing services and cost for 2 months; March 1, 2021-April 30, 2021

2. SCOPE OF WORK AND DELIVERABLES

2.1 Provide as described within Contract and Change Notices

3. PAYMENT SCHEDULE AND PRICING

3.1 Payment is fixed monthly cost:

Service	Cost (\$)
Hosting-Related Maintenance and Operations (M&O)	
Hosting	107,056.12
Security Services	10,979.30
ORACLE Software License & Maintenance	22,804.79
Application-Related Maintenance and Support	
	222,499.88
TOTAL	\$363,340.09

3.2 Contractor will submit 3 invoices per month: 1 for the M&O service, and 2 for the Application related support collaborating with DTMB AS to delineate between Operation and Maintenance tasks and associated cost.

3.3 Total SOW value is 726,680.18



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CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
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 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **22**
 to
 Contract Number **071B3200100**

CONTRACTOR	CGI TECHNOLOGIES AND SOLUTIONS INC
	11325 Random Hills Road
	Fairfax, VA 22030-6051
	Stephen Arrants
	303-898-1876
	stephen.arrants@cgi.com
CV0059354	

STATE	Program Manager	Various	
	Contract Administrator	Mecca Martin	DTMB
		517-230-5694	
		martinm42@michigan.gov	

CONTRACT SUMMARY

MAGI ELIGIBILITY DETERMINATION SERVICE

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
May 31, 2013	May 30, 2016	7 - 1 Year	February 29, 2020

PAYMENT TERMS	DELIVERY TIMEFRAME

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 year	<input type="checkbox"/>		February 28, 2021

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
\$46,799,646.68	\$4,360,081.08	\$51,159,727.76

DESCRIPTION

Effective 2/25/2020, the parties exercise one option year; add funding for on-going maintenance, support, hosting and enhancements; and add the attached service level agreement which shall be associated with the statement of work to which the parties agreed in Contract Change Notice 21. All other terms, conditions, specifications, and pricing remain the same. Per Contractor, agency, DTMB Procurement and State Administrative Board approval on 2/25/2020.

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

AGENCY	NAME	PHONE	EMAIL
DTMB	Sanjay Srivatava	517-241-1417	SrivastavaS1@michigan.gov
MDHHS	Logan Dreasky	517-241-5414	DreaskyL@michigan.gov

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 **Section 1** shall have the respective meanings given to them in the Contract.

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

“Availability” has the meaning set forth in **Section 4.1**.

“Availability Requirement” has the meaning set forth in **Section 4.1**.

“Available” has the meaning set forth in **Section 4.1**.

“Burn-In Period” means the mutually agreed period of 3 months commencing on the effective date of this Service Level Agreement, during which the parties will measure and validate the Service Levels proposed in this Service Level Agreement. The Service Levels proposed in this Service Level Agreement are subject to validation and adjustment by mutual agreement based on data concerning System performance collected and analyzed during the Burn-In Period. The Service Level Credits specified in this Service Level Agreement will only be assessable against CGI after completion of the Burn-In Period.

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

“Corrective Action Plan” has the meaning set forth in **Section 5.7**.

“Critical Service Error” has the meaning set forth in **Section 5.5(a)**.

“Exceptions” has the meaning set forth in **Section 4.2**.

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

“High Service Error” has the meaning set forth in **Section 5.5(a)**.

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

“Low Service Error” has the meaning set forth in **Section 5.5(a)**.

“Medium Service Error” has the meaning set forth in **Section 5.5(a)**.

“Resolve” has the meaning set forth in **Section 5.5(b)**.

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

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

“Service Availability Credits” has the meaning set forth in **Section 4.7(a)**.

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

“Service Level Credits” has the meaning set forth in **Section 5.6**.

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

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

“**Software**” has the meaning set forth in the Contract.

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

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

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

“**Support Request**” has the meaning set forth in **Section 5.5(a)**.

“**Support Service Level Requirements**” has the meaning set forth in **Section 5.5**.

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

2. Services.

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

- (a) the hosting, management and operation of the Software and other services for remote electronic access and use by the State and its Authorized Users (“**Hosted Services**”);
- (b) the Software Support Services set forth in **Section 5** of this Schedule;

3. Personnel

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

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

4. Service Availability and Service Availability Credits (Hosting-Related Maintenance and Operations [M&O]).

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

4.2. Exceptions. No period of Hosted Service degradation or inoperability will be included in calculating Availability to the extent that such downtime or degradation is due to Excusable Failures as defined in Section 2.244 of the original Contract or any of the following (“**Exceptions**”):

- (a) failures of the State’s or its Authorized Users’ internet connectivity;
- (b) Scheduled Downtime as set forth in **Section 4.3**.

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

4.4. Emergency Changes. The Contractor must notify the Eligibility Project Manager in writing of any emergency change, or fix, as soon as it is made known to the Contractor Project Manager. The State may request an exception for change(s) in writing. The Contractor must consider, determine feasibility and work in partnership with the State for any such request. Emergency changes may include:

- Changes for a critical security vulnerability
- Changes for an actual security breach
- Change for network communication availability

4.5. Software Response Time. Software response time, defined as the interval from the time the AT packet is received by MAGI from Hub to the time the AT packet is submitted back to Hub, must be less than two (2) seconds for 98% of all transactions. Unacceptable response times shall be considered to make the Software unavailable and will count against the Availability Requirement.

4.6. Service Availability Reports. Within fifteen (15) days after the end of each Service Period, Contractor will provide to the State a report describing the Availability and other performance of the Hosted Services during that calendar month as compared to the Availability Requirement. The report must be in electronic or such other form as the State may approve in writing and shall include, at a minimum: (a) the actual performance of the Hosted Services relative to the Availability Requirement; and (b) if Hosted Service performance has failed in any respect to meet or exceed the Availability Requirement during the reporting period, a description in sufficient detail to inform the State of the cause of such failure and the corrective actions the Contractor has taken and will take to ensure that the Availability Requirement are fully met.

4.7. Remedies for Service Availability Failures.

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

Availability	Credit of Hosted Services Fees
≥99.95%	None
<99.95% but ≥99.0%	10%
<99.0% but ≥95.0%	15%
<95.0%	25%

- (b) Any Service Availability Credits due under this **Section 4.7** will be applied in accordance with payment terms of the Contract and credited on the next issued invoice. A Hosted Services Credit will apply against the next months’ Hosting-Related Maintenance and Operations [M&O invoice for any failure to meet Hosted Services Requirements.

5. Support and Maintenance Services (Application-Related Maintenance and Support).

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

5.2. 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 24 hours a day, seven days a week,
- (c) provide unlimited online support 24 hours a day, seven days a week;
- (d) provide online access to technical support bulletins and other user support information and forums, to the full extent Contractor makes such resources available to its other customers; and
- (e) respond to and Resolve Support Requests as specified in this **Section 5**.

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

- (a) proactively monitoring on a twenty-four (24) hour by seven (7) day basis all Hosted Service functions, servers, firewall and other components of Hosted Service security;
- (b) if such monitoring identifies, or Contractor otherwise becomes aware of, any circumstance that is reasonably likely to threaten the Availability of the Hosted Service, taking all

necessary and reasonable remedial measures to promptly eliminate such threat and ensure full Availability; and

- (c) if Contractor receives knowledge that the Hosted Service or any Hosted Service function or component is not Available (including by written notice from the State pursuant to the procedures set forth herein):
 - (i) confirming (or disconfirming) the outage by a direct check of the associated facility or facilities;
 - (ii) if Contractor's facility check in accordance with clause (i) above confirms a Hosted Service outage in whole or in part: (A) notifying the State in writing pursuant to the procedures set forth herein that an outage has occurred, providing such details as may be available, including a Contractor trouble ticket number, if appropriate, and time of outage; and (B) working all problems causing and caused by the outage until they are Resolved as Critical Service Errors in accordance with the Support Request Classification set forth in **Section 5.5**, 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.

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

- (a) all updates, bug fixes, enhancements, Maintenance Releases, New Versions and other improvements to the Hosted Services, including the Software, that Contractor provides at no additional charge to its other similarly situated customers; provided that Contractor shall consult with the State and is required to receive State approval prior to modifying or upgrading Hosted Services, including Maintenance Releases and New Versions of Software; and
- (b) all such services and repairs as are required to maintain the Hosted Services or are ancillary, necessary or otherwise related to the State's or its Authorized Users' access to or use of the Hosted Services, so that the Hosted Services operate properly in accordance with the Contract and this Schedule.

5.5. Support Service Level Requirements. Contractor will correct all Service Errors and respond to and Resolve all Support Requests in accordance with the required times and other terms and conditions set forth in this **Section 5.5 ("Support Service Level Requirements")**, and the Contract.

- (a) Support Requests. The State will classify its requests for Service Error corrections in accordance with the descriptions set forth as described below (each a "**Support Request**"). The State Service Manager will notify Contractor of Support Requests by email, telephone or such other means as the parties may hereafter agree to in writing.
- (b) 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 times described in Table 1 (Service Level Requirements and Credits) on the severity of the Service Error or Request. For any service error for which Contractor will require additional time to Resolve, Contractor may request extension of Resolution time to include sufficient justification for the State to consider such request.

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

5.6. Support Service Level Credits. Failure to achieve any of the Support Service Level Requirements will constitute a Service Level Failure for which Contractor will issue to the State the corresponding service credits set forth in **Table 1 (“Service Level Requirements and Credits”)** in accordance with payment terms set forth in the Contract and subject to the limitation of liability set forth in Section 2.220 of the original Contract. A Service Level Credit will apply against application support invoices for any application support related service level errors as determined by the State leveraging the input of Contractor.

Table 1: Service Level Requirements and Credit

SLA Type	SLA Defined	Response Time	Resolution Time	Response Time Credit	Resolution Time Credit
Critical Service Error	Any of the below: <ul style="list-style-type: none"> o Issue affecting the entire system or single critical production function o System down or operating in a materially degraded state o Data integrity at risk o Widespread access interruptions 	1 (one) hour	2 (two) hours	4 (four) percent of monthly application support fees for any month in which metric is unmet	4 (four) percent of monthly application support fees for any month in which metric is unmet
High Service Error	Any of the below: <ul style="list-style-type: none"> o Primary component failure that materially impairs the performance of the system o Data entry or access is materially impaired on a limited basis 	1 (one) hour	4 (four) hours	3 (three) percent of monthly application support fees for any month in which metric is unmet	3 (three) percent of monthly application support fees for any month in which metric is unmet
Medium Service Error	Error in which the Service is operating with minor issues that can be addressed with an acceptable (as determined by the State) temporary work around.	4 (four) hours	2 (two) business days	2 (two) percent of monthly application support fees for any month in which metric is unmet	2 (two) percent of monthly application support fees for any month in which metric is unmet
General Information Support Request	Request for assistance, information, or services that are routine in nature including but not limited to: Impact statement, system functionality inquiry, defect triage or other requests for information pertaining to system that may not necessarily result in code change. Resolution means provision of requested information and does not necessarily include resolution of issue.	4 (four) hours	2 (two) business days	2 (two) percent of monthly application support fees for any month in which metric is unmet	2 (two) percent of monthly application support fees for any month in which metric is unmet

5.7. Corrective Action Plan. If any Critical Service Error occurs, 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.

6. Force Majeure.

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

6.2. 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 five (5) 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.

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

- (a) in no event will any of the following be considered a Force Majeure Event:
 - (i) shutdowns, disruptions or malfunctions of Contractor Systems or any of Contractor's telecommunication or internet services other than as a result of general or widespread internet or telecommunications failures that are not limited to the Contractor Systems, or that are otherwise beyond Contractor's control; 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 **2.100** (Confidentiality), or **2.140** (Indemnification) of the original Contract, as they may have been amended, **Section 7** (Disaster Recovery and Backup) of this Schedule, the Availability Requirement defined in this Schedule, or any security requirements under the Contract, the Statement of Work, or applicable Schedule.

7. Disaster Recovery and Backup. Throughout the Term and at all times in connection with its actual or required performance of the Services, Contractor will:

- (a) maintain and operate a backup and disaster recovery plan to achieve a Recovery Point Objective (RPO) of 2 hours, and a Recovery Time Objective (RTO) of 2 hours (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 G**. Contractor will actively test, review and update the DR Plan on at least an annual basis using industry best practices as guidance. 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 7**; and
- (b) 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 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.



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

CONTRACT CHANGE NOTICE

Change Notice Number **21**
 to
 Contract Number **071B3200100**

CONTRACTOR	CGI TECHNOLOGIES AND SOLUTIONS INC
	11325 Random Hills Road
	Fairfax, VA 22030-6051
	Stephen Arrants
	303-898-1876
	stephen.arrants@cgi.com
	CV0059354

STATE	Program Manager	Various	
	Contract Administrator	Mecca Martin	DTMB
		martinm42@michigan.gov	

CONTRACT SUMMARY

MAGI ELIGIBILITY DETERMINATION SERVICE			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
May 31, 2013	May 30, 2016	7 - 1 Year	January 31, 2020
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

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DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 month	<input type="checkbox"/>		February 29, 2020
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$46,436,306.59	\$363,340.09	\$46,799,646.68		

DESCRIPTION

Effective 2/1/2019, the State and contractor agree to a one month option that adds \$363,340.09 for on-going maintenance, support, hosting, and enhancements. Contractor shall provide services in accordance with the attached statement of work. All other terms, conditions, specifications, and pricing remain the same. Per Contractor, agency, DTMB Procurement and State Administrative Board approval on 1/28/2020.

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

AGENCY	NAME	PHONE	EMAIL
DTMB	Sanjay Srivatava	517-241-1417	SrivastavaS1@michigan.gov
MDHHS	Logan Dreasky	517-241-5414	DreaskyL@michigan.gov

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

Project Title: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service Contract Extension – Option Year One	Period of Coverage: 02/01/2020 – 11/30/2022
Requesting Department: Michigan Department of Health and Human Services (MDHHS)	Date: 1/31/2020
DHHS Business Owner: Logan Dreasky	Phone: (517) 241-5414
DTMB Program Manager: Sanjay Srivastava	Phone: (517) 373-8836
DTMB Contract Administrator: Mecca Martin	Phone: (517) 230-5694

1. PROJECT OBJECTIVES

- 1.1 Continue Hosting-Related Maintenance and Operations (M&O).
- 1.2 Continue Application-Related Maintenance and Support.
- 1.3 Continue Ongoing Current Enhancements.

2. SCOPE OF WORK AND DELIVERABLES

- 2.1 **Hosting-Related Maintenance and Operations (M&O).** Contractor must continue to provide hosting-related Operation Services and Maintenance & Support services as described in the Contract, as amended (hosting, network, storage, disaster recovery, etc). Contractor must continue to provide security support as needed.
- 2.2 **Application-Related Maintenance and Support.** Contractor’s application resources (previously referred to as Contractor’s System Development Lifecycle (SDLC) resources) must continue to perform tasks and activities associated with maintaining the Application in support of minor M&O effort as prioritized, directed and approved by the State and mutually agreed to by all parties. Minor Application M&O provides production support activities that are categorized as follows:
 - Minor maintenance. Make minor modifications to an existing application to correct faults, to improve performance, or maintainability, to adapt the application to a modified environment (minor maintenance) and to meet new client requests (minor enhancement). This includes defect triage, fixes/resolutions, and minor M&O application changes as mutually scheduled (i.e., Façade and Application Service Requests).
 - Release Cadence. The specific project work requests, schedules for work, and deliverables are defined and agreed upon in Eligibility ISA approved Project Charters and/or Project Change Requests. Contractor shall continue supporting production deployments and validate functional operation concurrently with other ongoing services. Configuration changes including security patches and system software must be tested before deployment.
 - Provide Client Support. Interact with the State in a timely manner to perform support activities that do not affect the application software baseline or production

data. This includes handling of on demand requests for problems investigation, providing answers to questions, performing parameter and schedule changes and security support.

- Security Support. Support of security efforts for various Application needs, including but not limited to, the annual audits by Centers for Medicare & Medicaid Service (CMS), Internal Revenue Service (IRS), DTMB, and Office of Attorney General (OAG), as well as continued iterations of the DTMB System Security Plan (SSP). Efforts may include remediation and associated tasks as directed by the State.
- Preliminary Analysis Services. Continue providing these services as defined in the Contract.
- Monitor System Operations. Monitoring and reporting (i.e., communication server outage; reporting increased number of Account Transfer packets). Compare and evaluate actual system performance to system specification in the areas of response times, outputs, application data and other performance characteristics and to initiate resolution of any anomalies.
- Perform Incident Management. Detect and resolve incidents. An incident is an event that is not part of the normal operations of a service and that causes, or may cause, an interruption to or a reduction in the quality of that service. (i.e., analysis and providing GUID).

Time Tracking. Submit time for tasks as assigned in the State Enterprise Project Management Office (EPMO) into the Enterprise Project Management Methodology (PPM) tool. Reports generated from this tool will be used in part to validate resource hours and allocate costs back to project effort. This process will replace the Monthly Expected Deliverables process as described in Contract Change Notice (CCN) 7.

Contractor shall provide the following full-time equivalent resources to perform the above-detailed Minor Application M&O:

Role	FTE
Project Manager	1
System Analyst	1
OPA Specialist	2.0
QA Manager	1
Senior Consultant	.21
Technical Lead	1
Tester	0

2.3 Current Ongoing Enhancements.

2.3.1 **Healthy Michigan Plan Phase 3 Project**. Contractor must continue to prepare and test the Application for readiness of the Healthy Michigan Plan phase 3 (HMP3) project.

3. Data Security Requirements

Contractor shall comply with the Data Security Requirements incorporated herein as Attachment 1.

4. PAYMENT SCHEDULE AND PRICING

- 4.1 Contractor shall invoice for the February 2020 Maintenance and Current Ongoing Enhancements at the firm fixed rates shown below:

Service	Cost (\$)
Hosting-Related Maintenance and Operations (M&O)	
Hosting	107,056.12
Security Services	10,979.30
ORACLE Software License & Maintenance	22,804.79
Application-Related Maintenance and Support	
	222,499.88
TOTAL	\$363,340.09

- 4.2 In the event, the State exercises options beyond February 29, 2020, the following rates will apply for Maintenance and Current Ongoing Enhancements during the period March 1, 2020 – November 30, 2022, for which Contractor would invoice monthly:

Service	Cost (\$)
Hosting-Related Maintenance and Operations (M&O)	
Hosting	107,056.12
Security Services	10,979.30
ORACLE Software License & Maintenance	22,804.79
Application-Related Maintenance and Support	
	222,499.88
TOTAL	\$363,340.09

- 4.3 The following rate card shall apply when quoting optional future enhancements:

Role	Hourly Rate (\$)
Project Manager	195.00
System Analyst	135.00
OPA Specialist	295.00
QA Manager	175.00
Senior Consultant	295.00
Technical Lead	175.00
Tester	120.00

5. STATE PROJECT CONTACTS

- 5.1 **DHHS Business Owner.** The State DHHS Business Owner for all matters concerning the execution of the business requirements as services required by this Statement of Work is:

Logan Dreasky
 Michigan Department of Health and Human Services
 400 S. Pine St.
 Lansing, MI 48933
 DreaskyL@michigan.gov
 (517) 241-5414

- 5.2 **DTMB Program Manager.** The State DTMB Program Manager for all matters concerning the execution of the information technology services required by this Statement of Work is:

Sanjay Srivastava
 Michigan Department of Technology, Management and Budget
 Agency Services Supporting Michigan Department of Health and Human Services

235 S. Grand Ave., Ste. 3
Lansing, MI 48933
SrivastavaS1@michigan.gov
517) 373-8836

6. CONTRACTOR KEY PERSONNEL

6.1 Contractor Project Manager

Steve Murphy
773-263-7206
steven.murphy@cgi.com

6.2 Contractor OPA Specialist

Ed Petrick
734-386-6710
ed.petrick@oracle.com

6.3 Contractor Technical Lead

Vamsi Batchu
850-566-3987
vamsi.batchu@cgi.com

6.4 Contractor Security Officer

Vickie McCarty
706-839-3835
vickie.mccarty@cgifederal.com

ATTACHMENT 1
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 **Section 1** shall have the respective meanings given to them in the Contract.

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

“**Contractor Systems**” has the meaning set forth in **Section 5** of this Schedule.

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

“**FISMA**” means The Federal Information Security Management Act of 2002 (44 U.S.C. ch. 35, subch. III § 3541 et seq.).

“**Hosted Services**” means the hosting, management and operation of the computing hardware, ancillary equipment, Software, firmware, data, other services (including support services), and related resources for remote electronic access and use by the State and its Authorized Users, including any services and facilities related to disaster recovery obligations.

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

“**PSP**” means the State’s IT Policies, Standards and Procedures located at:

http://michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html.

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

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

1.1 maintain FedRAMP certification for the Hosted Services throughout the Term, and in the event the contractor is unable to maintain FedRAMP certification, the State may move the Software to an alternative provider, at contractor’s sole cost and expense;

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

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

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

1.5 take all reasonable measures to:

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

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

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

1.7 ensure that State Data is encrypted in transit and at rest using currently certified encryption modules in accordance with FIPS PUB 140-2 (as amended), *Security Requirements for Cryptographic Modules*;

1.8 ensure the Hosted Services support Identity Federation/Single Sign-on (SSO) capabilities using Security Assertion Markup Language (SAML) or comparable mechanisms;

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

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

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

Contractor Systems. Contractor will be solely responsible for the information technology infrastructure, including all computers, software, databases, electronic systems (including database management

systems) and networks used by or for Contractor in connection with the Services (“**Contractor Systems**”) and shall prevent unauthorized access to State systems through the Contractor Systems.

Security Audits. During the Term, Contractor will:

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

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

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

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



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

CONTRACT CHANGE NOTICE

Change Notice Number **20**
 to
 Contract Number **071B3200100**

CONTRACTOR	CGI TECHNOLOGIES AND SOLUTIONS INC
	11325 Random Hills Road
	Fairfax, VA 22030-6051
	Stephen Arrants
	303-898-1876
	stephen.arrants@cgi.com
	CV0059354

STATE	Program Manager	Various	MDHHS
	Contract Administrator	Mecca Martin	DTMB
		martinm42@michigan.gov	

CONTRACT SUMMARY				
MAGI ELIGIBILITY DETERMINATION SERVICE				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
May 31, 2013	May 30, 2016	7 - 1 Year	December 31, 2019	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 month	<input type="checkbox"/>		January 31, 2020
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$45,965,928.09	\$470,378.50	\$46,436,306.59		
DESCRIPTION				
Effective 12/17/2019, the State exercises a 1-month option and adds \$470,378.50 for on-going maintenance, support, hosting, and enhancements. Contractor shall continue providing resources and support at its current levels and pricing as established in Contract Change Notices 17 and 18. All other terms, conditions, specifications, and pricing remain the same. Per Contractor, agency, DTMB Procurement and State Administrative Board approval on 12/17/2019.				

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

AGENCY	NAME	PHONE	EMAIL
DTMB	Sanjay Srivatava	517-241-1417	SrivastavaS1@michigan.gov
MDHHS	Logan Dreasky	517-241-5414	DreaskyL@michigan.gov



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

CONTRACT CHANGE NOTICE

Change Notice Number **19**
 to
 Contract Number **071B3200100**

CONTRACTOR	CGI TECHNOLOGIES AND SOLUTIONS INC
	11325 Random Hills Road
	Fairfax, VA 22030-6051
	Stephen Arrants
	303-898-1876
	stephen.arrants@cgi.com
	CV0059354

STATE	Program Manager	Various	
	Contract Administrator	Mecca Martin	DTMB
		517-230-5694	
		martinm42@michigan.gov	

CONTRACT SUMMARY

MAGI ELIGIBILITY DETERMINATION SERVICE			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
May 31, 2013	May 30, 2016	7 - 1 Year	November 30, 2019
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			

DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 month	<input type="checkbox"/>		December 31, 2019
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$45,495,549.59	\$470,378.50	\$45,965,928.09		

DESCRIPTION
 Effective 11/19/2019, the State exercises a 1-month option and adds \$470,378.50 for on-going maintenance, support, hosting, and enhancements. Contractor shall continue providing resources and support at its current levels and pricing as established in Contract Change Notices 17 and 18. All other terms, conditions, specifications, and pricing remain the same. Per Contractor, agency, DTMB Procurement and State Administrative Board approval on 11/19/2019.

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

AGENCY	NAME	PHONE	EMAIL
DTMB	Sanjay Srivatava	517-241-1417	SrivastavaS1@michigan.gov
MDHHS	Logan Dreasky	517-241-5414	DreaskyL@michigan.gov



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

CONTRACT CHANGE NOTICE

Change Notice Number **18**
 to
 Contract Number **071B3200100**

CONTRACTOR	CGI TECHNOLOGIES AND SOLUTIONS INC
	11325 Random Hills Road
	Fairfax, VA 22030-6051
	Stephen Arrants
	303-898-1876
	stephen.arrants@cgi.com
CV0059354	

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

CONTRACT SUMMARY

MAGI ELIGIBILITY DETERMINATION SERVICE

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
May 31, 2013	May 30, 2016	7 - 1 Year	November 30, 2019

PAYMENT TERMS	DELIVERY TIMEFRAME

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		November 30, 2019

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
\$45,655,549.59	(\$160,000.00)	\$45,495,549.59

DESCRIPTION

Effective 10/1/2019, the parties agree to continue the Contract Change Notice 17 staff reduction and price reduction through 11/30/2019, i.e., Contractor shall continue the reduction of staff by one Tester and the continue to reduce the monthly fee by \$80,000 per month. All other terms, conditions, specifications, and pricing remain the same. Per Contractor, agency and DTMB Procurement approval.

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

AGENCY	NAME	PHONE	EMAIL
DTMB	Sanjay Srivatava	517-241-1417	SrivastavaS1@michigan.gov
MDHHS	Logan Dreasky	517-241-5414	DreaskyL@michigan.gov

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



CONTRACT CHANGE NOTICE

Change Notice Number 17
 to
 Contract Number 071B3200100

CONTRACTOR	CGI TECHNOLOGIES AND SOLUTIONS INC
	11325 Random Hills Road
	Fairfax, VA 22030-6051
	Stephen Arrants
	303-898-1876
	stephen.arrants@cgi.com
	CV0059354

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

CONTRACT SUMMARY

MAGI ELIGIBILITY DETERMINATION SERVICE			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
May 31, 2013	May 30, 2016	7 - 1 Year	November 30, 2019
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS		EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

MINIMUM DELIVERY REQUIREMENTS

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		November 30, 2019
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$45,975,549.59	(\$320,000.00)	\$45,655,549.59		

DESCRIPTION

Effective 5/8/2019, the parties agree that beginning 6/1/2019, Contractor shall reduce staff by one Tester and reduce the current monthly fee by \$80,000 per month (i.e., \$320,000 total fee reduction for the remaining four months of Fical Year 2019). All other terms, conditions, specifications, and pricing remain the same. Per Contractor, agency and DTMB Procurement approval.

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

AGENCY	NAME	PHONE	EMAIL
MDHHS	Logan Dreasky	517-241-5414	DreaskyL@michigan.gov
DTMB-IT	Sanjay Srivatava	517-241-1417	SrivastavaS1@michigan.gov



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

CONTRACT CHANGE NOTICE

Change Notice Number **16**
 to
 Contract Number **071B3200100**

CONTRACTOR	CGI Technologies and Solutions Inc
	11325 Random Hills Road
	Fairfax, VA 22030-6051
	Jon Jasper
	248-496-4336
	jon.jasper@cgi.com
	CV0059354

STATE	Program Manager	Sanjay Srivastava	MDHHS
		517-373-8836	
		SrivastavaS1@michigan.gov	
STATE	Contract Administrator	Jarrod Barron	DTMB
		(517) 249-0406	
		barronj1@michigan.gov	

CONTRACT SUMMARY

MAGI ELIGIBILITY DETERMINATION SERVICE			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
May 31, 2013	May 30, 2016	2 - 1 Year	May 30, 2018
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input checked="" type="checkbox"/>	18 months	November 30, 2019
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$36,068,736.59	\$9,906,813.00	\$45,975,549.59		

DESCRIPTION

Effective 5/31/2018, the parties add option years through 12/31/2022. The parties exercise an 18-month option (through 11/30/2019) and add \$9,906,813.00 for the services stated in the attached statement of work. All other terms, conditions, specifications, and pricing remain the same. Per contractor, agency, DTMB Procurement and State Administrative Board approval on 5/22/2018.

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

Project Title: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service Contract Extension	Period of Coverage: 05/31/18 – 11/30/19
Requesting Department: Michigan Department of Health and Human Services (MDHHS)	Date: 04/30/18
DHHS Business Owner: Logan Dreasky	Phone: (517) 241-5414
DTMB Program Manager: Sanjay Srivastava	Phone: (517) 373-8836
DTMB Contract Administrator: Jarrod Barron	Phone: (517) 249-0406

Brief Description of Services to be provided:

Extend the Contract and all current services for 18 months, followed by three (3) one-year optional extensions.

1. OVERVIEW AND BACKGROUND

- 1.1 On May 31, 2013, the State of Michigan (“State” or “SOM”) and CGI Technologies and Solutions, Inc. (“Contractor”) executed the Modified Adjusted Gross Income (MAGI) Eligibility Determination Service Contract (071B3200100) for three (3) years, with two (2) one-year option years.
- 1.2 The second and final available option year was exercised with Contract Change Notice (“CCN”) 14 to extend the term of the Contract to May 30, 2018, at which time the Contract will expire.
- 1.3 The Scope of the Contract provides Software as a Service (“SaaS”) for the Contractor to host, provide maintenance and operational (M&O) support services, perform ongoing System Development Lifecycle (“SDLC”) enhancements, and support training and knowledge transfer for an eligibility determination rules engine, referred to as the MAGI Rulebase.
- 1.4 The MAGI Rulebase determines Medicaid and CHIP eligibility based on the State’s applicable Medicaid and CHIP based income standards, citizenship and immigration status, other eligibility requirements, as well as robust and standard verification rules and procedures consistent with the Patient Protection and Affordable Care Act (“PPACA” or “ACA”). The MAGI Rulebase is a standalone service that performs Medicaid eligibility determinations and is utilized by several SOM systems.
- 1.5 All duties and obligations described herein will become part of Contract 071B3200100. All terms, conditions, and specifications contained in the Contract must remain in full force and effect.

2. PROJECT OBJECTIVES

- 2.1 The Department of Technology, Management, and Budget (“DTMB”) Agency Services on behalf of the Michigan Department of Health and Human Services (“MDHHS”) is seeking to issue an initial 18-month Contract extension, followed by three (3), one-year optional extensions, of the current services provided by the Contractor. This is necessary for the

imminent protection of public health and safety to provide Michigan citizens continued, applicable real time enrollment in Medicaid and to ensure that the State remains in compliance with federally mandated ACA regulations.

- 2.1.1 To achieve efficiencies in maintenance, support, and governance of changes to eligibility determination rules, DTMB is analyzing combining the rules management of the MAGI Rulebase (used specifically for Medicaid eligibility determination) with the Bridges system to provide one single eligibility rules determination system for all the MDHHS eligibility programs (food assistance, cash assistance, day care assistance, energy assistance).
- 2.1.2 Once the analysis is finalized, DTMB Agency Services, MDHHS, and the DTMB Procurement team will begin the procurement process according to a timeline that will provide enough time to complete any necessary procurement of services before this Contract expires.

3. SCOPE OF WORK

- 3.1 The Contractor must continue to host, implement SDLC enhancements, provide M&O support, perform knowledge transfer and training services, and carry out services and deliverables for the MAGI Rulebase as described within the Contract.
- 3.2 Contractor must perform SDLC enhancement and Maintenance and Operations services and deliverables for the MAGI Rulebase application as specified in the Contract and this Statement of Work using 8.75 full-time equivalent application resources as specified below:

1)	Project Manager:	1.25
2)	System Analyst:	1.00
3)	OPA Specialist:	3.00
4)	QA Manager:	1.00
5)	Senior Consultant:	0.50
6)	Technical Lead:	1.00
7)	Tester:	1.00

- 3.2.1 If accomplishment of approved Eligibility PMO scope of work requires additional capacity from the resources as prescribed in this Contract Change Notice, or a reallocation of resources among the specified categories, the parties will manage the required change through the established project change control process and follow the State's process to issue an amendment of this SOW via a new CCN.

4. WORK AND DELIVERABLES

- 4.1 Contractor will continue to perform the scope of work specified in the Contract and CCNs.
- 4.2 The high-level MAGI Rulebase enhancement schedule is estimated to follow a monthly release cadence. The specific project work requests, schedules for Enhancements, and deliverables are defined and agreed upon in the final Eligibility PMO approved Project Charters and/or Project Change Requests.
- 4.3 Release independent and M&O effort is scheduled in collaboration with the Eligibility PMO.
- 4.4 Hosting, Maintenance, and Operational services and deliverables as currently provided by the Contractor must continue throughout each extended year.

- 4.5 Contractor must satisfy all State Unified Information Technology Environment (SUITE) requirements as directed by the Eligibility PMO.
- 4.6 Contractor must not consider any aspect of this Project to be complete until Contractor has received a written confirmation of satisfactory work from the DTMB Program Manager in accordance with the terms and conditions of the Contract.

5. PROJECT CONTROL AND REPORTS

- 5.1 **Weekly Status Report.** Contractor must submit a weekly status Report to the DTMB Program Manager and Eligibility PMO Project Manager throughout the Project term.
- 5.2 **Weekly Status Report Details.** Each Weekly Status Report must contain the following information
 - 1) **Accomplishments.** Contractor must state the tasks completed during the current month's reporting period. These may include, but are not limited to the following items:
 - a) Reports on any application defects or errors
 - b) Issue and Resolution Log Report
 - c) Recommendations for application changes
 - d) Change Log Reports
 - e) Defect Log Reports
 - f) Quality Assurance Report
 - g) Root Cause Analysis Report explaining the root cause of any and all errors
 - h) Project Schedule
 - 2) **Projected Accomplishments.** Contractor must describe the activities projected to be accomplished during the next month's reporting period.
 - 3) **Issues.** Contractor must describe any issues, risks, changes, real or perceived, and recommend resolutions.
- 5.3 **Quality Management Plan.** As part of a good faith effort to satisfy all Contract requirements timely and accurately, Contractor will establish and maintain a written Quality Management Plan ("QC Plan") specific to the MAGI Rulebase application and services and deliverables under the contract. The QC Plan must be based on Contract requirements, including, but not limited to, the SOW, project-level standards, benchmarks, and other protocols mutually determined between the State and Contractor. QC Plan must incorporate the use of both automated and manual quality control tools so that the Contractor can continuously monitor the timeliness and accuracy of all billings, services, and deliverables to the State.
- 5.4 **Updates to Quality Management Plan.** Contractor will deliver a copy of its QC Plan to the DTMB Program Manager within 30 days after this SOW becomes effective. Contractor must provide any updates or changes to QC Plan to the DTMB Program Manager no later than 30 days after the Contractor has updated or changed the QC Plan.

6. SPECIFIC AGENCY STANDARDS

- 6.1 **Compliance with State and Federal Law, Administrative Regulations, Guidelines, and Recommendations.** Contractor must provide, consistent with the Contract, that the system complies with all Federal and State law, administrative regulations, guidelines, and recommended policies. These include, but are not limited to, the above as released from the Centers for Medicare and Medicaid Services (CMS), Internal Revenue Service (IRS), the National Institute of Standards and Technology (NIST), U.S. Office of Management and Budget (OMB), National Institutes of Health (NIH), and the Office for Civil Rights (“OCR”). In the event a change in applicable law results in a material change in Contractor’s level of effort, costs, or schedule of activities required to achieve compliance in accordance with this Section 6.1, Contractor and the State will follow the established project change control and CCN process to mutually agree to an SOW amendment.
- 6.2 **Project Change Request.** In the event Contractor identifies a State and federal policy and/or standard that may have security requirements or security impact on this Contract’s Project, Contractor must immediately notify the State. The Contractor and the State will follow the established project change control and CCN process to mutually agree to an SOW amendment.
- 6.3 **Compliance with the Internal Revenue Service (IRS) Publication 1075, Exhibit 7.** Any Contractor with access to Federal Tax Information (FTI) must adhere to the following required safeguard language:
- 6.4 **LANGUAGE FOR GENERAL SERVICES**
- 6.5 **PERFORMANCE.** In performance of this contract, the Contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:
- 6.5.1 All work will be performed under the supervision of the contractor or the contractor’s responsible employees.
- 6.5.2 The contractor and the contractor’s employees with access to or who use FTI must meet the background check requirements defined in IRS Publication 1075.
- 6.5.3 Any Federal tax returns or return information (hereafter referred to as returns or return information) made available shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Inspection by or disclosure to anyone other than an officer or employee of the contractor is prohibited.
- 6.5.4 All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output and products will be given the same level of protection as required for the source material.
- 6.5.5 No work involving returns and return information furnished under this contract will be subcontracted without prior written approval of the IRS.
- 6.5.6 The contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.
- 6.5.7 The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.
- 6.6 **CRIMINAL/CIVIL SANCTIONS**

- 6.6.1 Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as five years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized future disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRCs 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.
- 6.6.2 Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Inspection by or disclosure to anyone without an official need-to-know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000.00 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of \$1,000.00 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. The penalties are prescribed by IRCs 7213A and 7431 and set forth at 26 CFR 301.6103(n)-1.
- 6.6.3 Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.
- 6.6.4 Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, contractors must be advised of the provisions of IRCs 7431, 7213, and 7213A (see Exhibit 4, Sanctions for Unauthorized Disclosure, and Exhibit 5, Civil Damages for Unauthorized Disclosure). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 10) For both the initial certification and the

annual certification, the contractor must sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

6.7 **INSPECTION**

6.7.1 The IRS and the Agency, with 24-hour notice, shall have the right to send its inspectors into the offices and plants of the contractor to inspect facilities and operations performing any work with FTI under this contract for compliance with requirements defined in IRS Publication 1075. The IRS' right of inspection shall include the use of manual and/or automated scanning tools to perform compliance and vulnerability assessments of information technology (IT) assets that access, store, process or transmit FTI. On the basis of such inspection, corrective actions may be required in cases where the contractor is found to be noncompliant with contract safeguards.

6.8 **LANGUAGE FOR TECHNOLOGY SERVICES**

6.9 **PERFORMANCE.** In performance of this contract, the contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:

6.9.1 All work will be done under the supervision of the contractor or the contractor's employees.

6.9.2 The contractor and the contractor's employees with access to or who use FTI must meet the background check requirements defined in IRS Publication 1075.

6.9.3 Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Disclosure to anyone other than an officer or employee of the contractor will be prohibited.

6.9.4 (4) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.

6.9.5 The contractor certifies that the data processed during the performance of this contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.

6.9.6 Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.

6.9.7 All computer systems receiving, processing, storing or transmitting FTI must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal Tax Information.

6.9.8 No work involving Federal Tax Information furnished under this contract will be subcontracted without prior written approval of the IRS (9) The contractor will maintain a

list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office. (10) The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.

6.10 CRIMINAL/CIVIL SANCTIONS

- 6.10.1 Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRCs 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.
- 6.10.2 Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone without an official need-to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC 7213A and 7431 and set forth at 26 CFR 301.6103(n)-1.
- 6.10.3 Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.
- 6.10.4 Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, contractors must be advised of the provisions of IRCs 7431, 7213, and 7213A (see Exhibit

4, Sanctions for Unauthorized Disclosure, and Exhibit 5, Civil Damages for Unauthorized Disclosure). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 10) For both the initial certification and the annual certification, the contractor must sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

6.11 INSPECTION

6.11.1 The IRS and the Agency, with 24-hour notice, shall have the right to send its inspectors into the offices and plants of the contractor to inspect facilities and operations performing any work with FTI under this contract for compliance with requirements defined in IRS Publication 1075. The IRS’ right of inspection shall include the use of manual and/or automated scanning tools to perform compliance and vulnerability assessments of information technology (IT) assets that access, store, process or transmit FTI. On the basis of such inspection, corrective actions may be required in cases where the contractor is found to be noncompliant with contract safeguards.

7. PAYMENT SCHEDULE AND PRICING

7.1 Payment will be made on a firm fixed fee basis, billed monthly for the eighteen-month term of 5/31/18 – 11/30/19 at the following rates subject to no annual increases:

Service	Monthly Rate	Total 18 Months
Operations*	\$115,111.00	\$2,071,998.00
Maintenance	\$32,680.00	\$588,240.00
SDLC Enhancements	\$402,587.50	\$7,246,575.00
TOTAL SOW VALUE		\$9,906,813.00

*Operations services and support costs include the ISD and MCC Hosting and Storage as described within CCN14.

7.2 At the sole discretion of the State, the State may withhold up to 20% from each monthly SDLC Enhancement payment until final acceptance by the State of the Monthly Acceptance Deliverables per the process described within CCN14.

7.3 Each of the following Roles contributes to, and is involved with, all phases of SDLC in relation to Enhancements and M & O tasks for the MAGI Rulebase application. The specified rates are not intended to be used for time and materials pricing for the fixed monthly SDLC enhancement price.

7.4 DTMB will pay Contractor upon receipt of properly completed invoice(s) which must be submitted to the billing address on the State issued purchase order not more often than monthly. The DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Program Manager approval. All invoices should reflect actual work completed by payment date and must be approved by the Agency and DTMB Program Manager prior to payment. The invoices must include the Purchase Order and describe and document to the State’s satisfaction a description of the work performed and fees.

- 7.5 This SOW does not constitute any commitment from the State to utilize additional Contractor services.
- 7.6 All additional work effort or services not included in this SOW must be pre-approved by the State DTMB Program Manager and follow the State's established Project Change Request approval processes.
- 7.7 Payment must be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

8. TECHNICAL ASSUMPTIONS

- 8.1 All MAGI Rulebase enhancements or changes will be identified and approved by the Eligibility PMO in collaboration with the Contractor through an approved Project Charter or through the established Project Change Request process.
- 8.2 All security patches and system and software configuration changes must be tested before deployment.
- 8.3 There must be separate development, test, and production environments.
- 8.4 The scope inclusion in each release must be defined by the Eligibility PMO program level scope and requirements, further delineated during project requirements sessions.
- 8.5 There is a need to continue support of production deployments concurrently with other services provided as part of this SOW.
- 8.6 Resources assigned are available for all SDLC and M & O activities as prioritized by the State.
- 8.7 If the scope of work requested of the Contractor by the State necessitates an increase in staffing to accommodate, the Contractor must recommend staffing changes, including associated pricing adjustments. The Contractor and the State will follow the established project change control and CCN process in order to mutually agree to an SOW amendment.

9. PROJECT CONTACTS

- 9.1 **DHHS Business Owner.** The State DHHS Business Owner for all matters concerning the execution of the business requirements as services required by this Statement of Work is:

Logan Dreasky
Michigan Department of Health and Human Services
400 S. Pine St.
Lansing, MI 48933
DreaskyL@michigan.gov
(517) 241-5414

- 9.2 **DTMB Program Manager.** The State DTMB Program Manager for all matters concerning the execution of the information technology services required by this Statement of Work is:

Sanjay Srivastava
Michigan Department of Technology, Management and Budget
Agency Services Supporting Michigan Department of Health and Human Services

235 S. Grand Ave., Ste. 3
Lansing, MI 48933
SrivastavaS1@michigan.gov
517) 373-8836

Entire Agreement. This Statement of Work, together with the existing Contract, constitutes the Parties' complete and exclusive statement regarding work requirements and procedures. Apart from the amendments made in this Statement of Work, all Contract terms and conditions must remain in full force and effect. The Parties reserve all rights and remedies under the Contract.

IN WITNESS WHEREOF, the Parties, intending to be legally bound, have caused their duly authorized officers to execute this SOW via a CCN signature page, which is incorporated herein by reference.



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

CONTRACT CHANGE NOTICE

Change Notice Number **15**
to
Contract Number **071B3200100**

CONTRACTOR	CGI Technologies and Solutions Inc
	11325 Random Hills Road
	Fairfax, VA 22030-6051
	Jon Jasper
	248-496-4336
	jon.jasper@cgi.com
	CV0059354

STATE	Program Manager	Sanjay Srivastava	MDHHS
		517-373-8836	
	SrivastavaS1@michigan.gov		
	Contract Administrator	Jarrod Barron	DTMB
(517) 249-0406			
barronj1@michigan.gov			

CONTRACT SUMMARY

MAGI ELIGIBILITY DETERMINATION SERVICE			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
May 31, 2013	May 30, 2016	2 - 1 Year	May 30, 2018
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			

DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input checked="" type="checkbox"/>	5 days	June 4, 2018
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$36,068,736.59	\$0.00	\$36,068,736.59		

DESCRIPTION

Effective 5/30/2018, the parties extend the contract to 6/4/2018 per the attached documentation. All other terms, conditions, specifications, and pricing remain the same. Per contractor, agency, DTMB Procurement and State Administrative Board approval on 5/22/2018.



CGI Technologies and Solutions Inc.
300 South Washington Square, Suite 405
Lansing, Michigan 48933
Tel. 248.496.4336

cgi.com

Delivery by email

May 30, 2018

Kemal Tekinel
Department of Technology, Management and Budget Program Manager
tekinelk@michigan.gov

Simon Baldwin
Department of Technology, Management and Budget Contract Administrator
baldwins@michigan.gov

Re: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service Contract (071B3200100) ("Contract")

Gentlemen:

As you know, the Contract as previously renewed is set to expire today. You acknowledge that the State and CGI have diligently pursued negotiation of an additional renewal of the Contract, expect to consummate that renewal through a Contract amendment, and are in agreement concerning the terms of such amendment. The State has been unable to finalize execution of the required amendment before the close of business today, but you have indicated that signature will occur no later than 6/4/2018. Accordingly, the parties agree to enter into this letter agreement amending the Contract by extending it through Monday, June 4, 2018. Except for this extension, all terms and conditions of the Contract remain in full force and effect and are hereby ratified and affirmed by the parties.

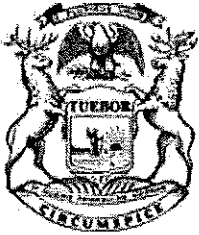
If the foregoing accurately states our agreement to extend the Contract, please arrange for execution by an authorized representative of the State below in the space provided and return one fully executed copy to me.

Respectfully,

Jon Jasper
Vice President, Consulting Services

SO AGREED:

Name: _____
Title: _____
Date: May 30, 2018



**STATE OF MICHIGAN
ENTERPRISE PROCUREMENT**

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

CONTRACT CHANGE NOTICE

Change Notice Number **14**

to

Contract Number **071B3200100**

CONTRACTOR	CGI Technologies and Solutions Inc
	11325 Random Hills Road
	Fairfax, VA 22030-6051
	Richard Crosby
	618-719-6714
	richard.crosby@cgi.com
	*****6778

STATE	Program Manager	Kemal Tekinal	DTMB-IT
	Contract Administrator	517-241-3314	
		Tekinelk@michigan.gov	
		Simon Baldwin	DTMB
		(517) 284-6997	
		baldwins@michigan.gov	

CONTRACT SUMMARY

MAGI ELIGIBILITY DETERMINATION SERVICE			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
May 31, 2013	May 30, 2016	2 - 1 Year	May 30, 2017
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card	<input type="checkbox"/> Direct Voucher (DV)	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

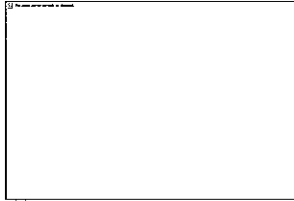
MINIMUM DELIVERY REQUIREMENTS			

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 Year	<input type="checkbox"/>		May 30, 2018
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$29,372,698.59	\$6,696,038.00	\$36,068,736.59		

DESCRIPTION

Effective 5/31/2017, this Contract is exercising the second option year available and is increased by \$6,696,038.00 per the attached Statement of Work (SOW). The revised Contract expiration date is 5/30/2018. All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Procurement approval, and State Administrative Board approval on 5/23/2017.



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

Project Title: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service Option Year 1 Renewal	Period of Coverage: 05/31/17 - 05/30/18
Requesting Department: Department of Health and Human Services (DHHS)	Date: 05/15/17
DHHS Business Owner: Logan Dreasky	Phone: (517) 241-5414
DTMB Program Manager: Kemal Tekinel	Phone: (517) 241-5779
DTMB Contract Administrator: Simon Baldwin	Phone: (517) 284-6997

Brief Description of Services to be provided:

Exercise Option Year Two, Refresh infrastructure environments, increase environments in support of the Modernizing Continuum Care (MCC) Project and the Integrated Service Delivery (ISD) Project.

1. OVERVIEW AND BACKGROUND

- 1.1 All duties and obligations described herein will become part of existing Contract 071B3200100. All terms, conditions, and specifications contained in the existing Contract must remain in full force and effect.
- 1.2 In 2013, CGI Technologies and Solutions Inc. (Contractor or CGI) entered into Contract Number 071B3200100 with the State of Michigan (State) to provide services and deliverables in support of the Modified Adjusted Gross Income (MAGI) eligibility determination services rules engine application; including system enhancements, hosting, operational and maintenance support.
- 1.3 The rules engine application ("MAGI Eligibility Determinations Rulebase" or "Rulebase") was implemented in January 2014 under direction from the Department of Technology, Management and Budget (DTMB) Medicaid Compliance Program (MCP) Project Management Office (PMO). MCP has since been expanded to include all State Eligibility applications and is now referred to as the Business Integration Center (BIC) Eligibility Program Management Office, or "Eligibility PMO". The purpose of the Eligibility PMO is to support the State as specified in the Contract between the parties in enhancing, implementing, and supporting Rulebase functionality as identified in the Eligibility PMO objectives governed by DHHS and DTMB business and technical needs.

2. PROJECT OBJECTIVES

- 2.1 Exercise option year two for ongoing system enhancements and support services of the Rulebase as described within the Contract effective from May 31, 2017, through May 30, 2018 and is subject to the option year provisions.
- 2.2 Provide MAGI Operation System (OS) upgrade as approved by BIC Eligibility Program Governance via Project Change Request 4012.
- 2.3 Increase hosted environments to support the BIC Work Request 2345, Modernizing Continuum of Care (MCC) Project and the BIC Work Request 7289, Integrated Service Delivery (ISD) Project.

3. SCOPE OF WORK

- 3.1 Contractor must perform the Rulebase application SDLC enhancement and Maintenance and Operations services and deliverables specified in the Contract and this Statement of Work using 9.75 full-time equivalent application resources as specified below:
 - 1) Project Manager: 1.25
 - 2) System Analyst: 1.00
 - 3) OPA Specialist: 3.00
 - 4) QA Manager: 1.00
 - 5) Senior Consultant: 0.50
 - 6) Technical Lead: 1.00
 - 7) Tester: 2.00
- 3.2 In the event that accomplishment of the scope of work requires additional resources beyond the 9.75 FTEs application team prescribed in Section 3.1 or a reallocation of resources among the specified categories, the parties will manage the required change through the established project change control and Contract Change Notice (CCN) process.
- 3.3 Contractor must provide the MAGI Operation System upgrade and increase hosted environments to support MCC and ISD Project Objectives utilizing the Contractors internal Global Infrastructure Services and Onshore Delivery (GIS) team in addition to and in collaboration with the application team listed above.

4. CONTRACTOR'S SERVICES AND DELIVERABLES

Except as otherwise specified in this Section 4, Contractor will continue to perform the scope of work specified in the Contract, as previously amended.

- 4.1 In accordance to DTMB Information Technology Configuration Management Policy, the Contractor must provide 2 week written notice to the Eligibility Project Manager of any planned changes that may impact, or have the potential to impact, the Rulebase and any supporting or downstream systems of the Rulebase. The Contractor must notify the Eligibility Project Manager in writing of any emergency change, or fix, as soon as it is

made known to the Contractor Project Manager. The State may request an exception for change(s) in writing through the established project change control process. The Contractor must consider, determine feasibility and work in partnership with the State for any such request.

4.2 Contractor must not consider any aspect of this Project to be complete until Contractor has received a written confirmation of satisfactory work from the DTMB Program Manager in accordance with the terms and conditions of the Contract.

4.3 **Project Management Services.** Contractor must perform services, tasks, activities and provide deliverables as outlined in the existing Contract, including but not limited to sections 1.200 (A) Contractor Roles and Responsibilities, 1.300 Project Plan, and 1.400 Project Management. Contractor resources must be managed by the Contractor Project Manager to ensure resources are 100% allocated to State requested and authorized work activities. The Contractor Project Manager will notify the Eligibility PMO Project Manager of any projected or realized availability in Contractor resource capacity.

4.4 **Project Management Deliverables.** In addition to Project Management deliverables within the existing Contract, the Contractor Project Manager must provide the following to the Eligibility PMO Project Manager:

- 1) Resource list that is current and updated as changes occur. This must include the resources assigned to the project by name, location, email/phone contact information, and their role as identified in the Contract by Attachment D – Contract Pricing, Table 4.
- 2) System Development Lifecycle (SDLC) Deliverables due each month are determined based upon the Eligibility PMO approved Project Schedule and the Milestones within.
 - a) The Eligibility PMO Project Manager will document and provide to the Contractor Project Manager by the fifth day of each month, the expected deliverables for that month (“Monthly Expected Deliverables” or “DED”). The Contractor Project Manager will validate and confirm expected deliverables and both parties will agree by signature.
 - b) The Eligibility PMO Project Manager will update the DED during the month as work activities and deliverables are identified, adjusted or removed.
 - c) Contractor’s Project Manager must perform a final quality control review and is ultimately responsible for the overall quality of all billings, recoupments, and deliverables.
 - d) The Contractor Project Manager will confirm and validate that all Monthly Expected Deliverables are complete and accurate prior to providing to the Eligibility PMO Project Manager. The DED will be updated by Eligibility PMO Project Manager to reflect Monthly Accepted Deliverables (“DAD”). The DAD will constitute State acceptance of the Deliverables listed within and will be approved by the DTMB Program Manager per the process outlined within the Contract.

- e) Identify the percentage of costs attributable to the State identified categories of Rulebase Enhancement (by Release number assigned), Rulebase M & O (by Work Request or Release number assigned), or Rulebase Defect resolution on the monthly invoice.

4.5 **Preliminary Analysis.** The Contractor will perform preliminary analysis/impact analysis as requested and prioritized by the State and as further described in Section 4.6 and 4.7.

4.6 **Services.** Impact analysis will primarily be conducted for proposed changes, new/altered business requirements, new projects and defects as identified by the Eligibility PMO. Impact Analysis for identified and confirmed production defects must be conducted at no additional cost to the State, and must be addressed by the Contractor using the existing, planned team resources. The Contractor will communicate to the Eligibility PMO Project Manager the impact of these activities to established and approved Project timelines. If necessary to protect established timelines, the Eligibility PMO will determine and communicate work priority to the Contractor.

4.7 **Deliverables.** Impact Analysis results/response must be provided consistent with a 48-hour objective for items deemed high priority and where practical. The Contractor must perform preliminary analysis/impact analysis as requested and prioritized by the Eligibility PMO Project Manager. The Contractor must provide a written impact statement, propose alternative solutions and describe impacts to costs, schedule, resources and other Medicaid system components for proposed work, as well as impact to work in progress to the Eligibility PMO Project Manager. For the purpose of this Statement of Work (SOW), Contractor is required to document in any Impact Analysis delivered, additional impact to any system components including hardware, software, interfaces, services, data, and databases.

4.8 **Rulebase Enhancements.** Rulebase enhancements include any modification to the Rulebase, including but not limited to rule development, enhancements and modifications to the functionality of the Rulebase as part of any release activity ("releases") identified by the Eligibility PMO (e.g. minor release, release independent, major release). Rules engine enhancements must proceed through the SUITE methodology and must include all phases of SDLC services as outlined in Section 1.104(I) of the Contract.

4.9 **Services.** The Contractor must provide SDLC services and follow the State and Contractor Roles and Contractor Approach as outlined in the Contract Section 1.104(I). SDLC services include, but are not limited to the following:

- 1) Initiation and Planning Activities (e.g. Project Charter, Project Plan, documenting risks, assumptions, critical success factors, resource needs, quality expectations, communication expectations)
- 2) Detailed Business and Technical Requirements
- 3) Application Design
- 4) Application Development
- 5) Testing
- 6) Implementation
- 7) Documentation
- 8) Training and Knowledge Transfer

4.10 **Deliverables.** The Contractor must provide the Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in the Contract Section 1.104(l) for the appropriate stage of SDLC service activities. Where appropriate, existing project deliverables will be updated to incorporate enhancements by the Contractor. Any SUITE template or deliverable waivers must be agreed upon with the DTMB Program Manager listed within this Statement of Work.

4.11 The high-level Rulebase Enhancement Project Schedule is estimated as follows:

RELEASE	DATE
17.06	June 2017
17.09	September 2017
17.12	December 2017
18.03	March 2018
18.06	June 2018

The specific project schedules for Enhancements are defined and agreed upon in the final approved Project Charters.

4.12 **SUITE Deliverables.** Contractor must satisfy all State SUITE requirements. These include, but are not limited to:

SUITE Form	Deliverable Name and Comments	Project Schedule Milestone
PMM-0101	Project Charter <i>Eligibility PMO Provides, Contractor to review and approve</i>	Initiation and Planning
PMM-0102	Project Schedule <i>Submitted with Weekly Status Report</i>	Initiation and Planning
PMM-0014	Project Change Request <i>Initiated by, and in collaboration with, Eligibility PMO PM</i>	All
SEM-0302	Software Configuration Management Plan (final) <i>Plan provided, State directs format</i>	Design (System)
SEM-0402	Requirements Specification (final) <i>Specifications provided, State directs format</i>	Design (Functional)
SEM-0501	Functional Design Document (final) <i>Functional Design provided, State directs format</i>	Design (Functional)
SEM-0604	System Design <i>System Design provided. State directs format</i>	Design (System)
SEM-0701	Transition Plan (initial) <i>As requested by the DTMB Program Manager—End of the project when transitioning to SOM or their designees</i>	Construction
SEM-0703	Training Plan (initial) <i>As requested by the DTMB Program Manager—End of the project when transitioning to SOM or their designees</i>	Construction

SEM-0401	Requirements Traceability Matrix (final) <i>Matrix provided, State directs format</i>	Testing
SEM-0602	Test Plan (final)	Testing
SEM-0603	Test Type Approach and Report (final) <i>Included with SEM-0602</i>	Testing
SEM-0606	Test Case (final) <i>Testing completed and results submitted after System Integration Testing (SIT)</i>	Testing
SEM-0703	Training Plan (final) <i>As requested by the DTMB Program Manager— End of the project when transitioning to SOM or their designees</i>	Testing
SEM-0301	Maintenance Plan (final) <i>Updated only as needed</i>	Implementation
SEM-0701	Transition Plan (initial) <i>As requested by the DTMB Program Manager— End of the project when transitioning to SOM or their designees</i>	Implementation
SEM-0702	Installation Plan <i>Rulebase Developer's Guide for OPA - Not in SUITE format</i>	Implementation
DTMB-0170	Security and Assessment Plan (final) <i>Continually identify and notify Eligibility PMO of any Changes that impact security State completes DTMB-0170</i>	Implementation
SEM-0189	Stage Exit <i>Eligibility PMO Provides, Contractor to review and approve</i>	All
SEM-0931	System Maintenance Document <i>Provided for M & O changes</i>	All

4.13 **MAGI Operation System (OS) Upgrade.** The Contractor must transition all current environments to newly upgraded virtual machines (VM) environments and implement the most current version of the base Operating System (OS).

4.14 **Schedule** (dependent on this SOW issued as a CCN by June 1, 2017):

OS Upgrade Environment	Start Date	End Date
DEV	June 3, 2017	June 12, 2017
TEST	June 13, 2017	June 22, 2017
UAT	June 23, 2017	July 4, 2017
STAGING	July 5, 2017	July 12, 2017
PRODUCTION	July 13, 2017	July 24, 2017
Disaster Recover (DR)	July 25, 2017	July 31, 2017

Changes to the above schedule will be managed by the established project change request approval process.

- 4.15 Red Hat JBoss Enterprise SOA Platform consists of multiple components of different software that supports the functional operation of the Rulebase. Red Hat Enterprise Linux (RHEL) is the base, or primary, OS and must be upgraded from version 5.11 to version 7 in all environments as the support for version 5.11 expired March 31, 2017.
- 4.16 Installation of the most current OS will provide continued support for the environments infrastructure and provide remediation to several IRS Audit findings in which gaps were identified.
- 4.17 **Services.** The Contractor will perform services and tasks in accordance to the Eligibility PMO governance approved Project Change Request (PMM-014) that includes the OS Upgrade Plan and schedule. While the duration defined is assumed to be the same, the schedule is based on assumptions documented in this SOW and may be modified by mutual agreement.
- 4.18 **Deliverables.** The Contractor will provide Regression and End to end testing and provide the State with a Test Plan (SEM-0602) that includes the Test Type Approach and final Report.
- 4.19 The Contractor will provide a screen shot of each upgraded environment that clearly indicates date, base Operating System (OS) version, Random Access Memory (RAM), Storage Area Network (SAN), and backups.
- 4.20 Upon Implementation, the State will confirm resolution to the following audit findings:

CONTROL ID	FINDING DESCRIPTION	RISK CATAGORY
CM-6	A separate /var partition has not been created.	Significant
AU-9	A separate /var partition has not been created.	Moderate
AU-9	A separate /var partition has not been created.	Moderate
AC-2	System accounts may be accessed by regular users.	Significant
AC-6	Reserved users IDs have not been assigned to system accounts	Significant

- 4.21 **Increase MAGI environments to support MCC and ISD.** Contractor must create and configure one deployment path with the following environments for each project:
 - 1) To support MCC requirements for Bridges General Functionality (GF) stream environments: Development (DEV), System Integration Testing (SIT) or Integrated Testing (INT), Quality Analysis Testing (QAT) and User Acceptance Testing (UAT).

- 2) To support ISD requirements, environments must process Account Transfer (AT) packets: Development (DEV), System Integration Testing (SIT) or Integrated Testing (INT), Quality Analysis Testing (QAT) and User Acceptance Testing (UAT).
- 4.22 An increase of the Storage Area Network (SAN) and Random Access Memory (RAM) are required for the current hardware to support additional environments incurring an ongoing monthly cost.
- 4.23 The Contractor's GIS infrastructure team must support the infrastructure aspects in set up of the environments incurring a onetime cost. The required Rulebase technical set up and configuration will be provided by the Contractor per Section 3.1 herein.
- 4.24 Environments must be structured and configured to align with currently established Rulebase environments (DEV/INT/QAT/ UAT).

Schedule: Following the issuance of this SOW with a CCN, the Contractor will make available one additional environment every two weeks in an order mutually agreed to by the contractor and DTMB.

Increase Environments	Start Date	End Date
DEV	June 1, 2017	June 15, 2017
INT	June 16, 2017	June 30, 2017
QAT	July 3, 2017	July 17, 2017
UAT	July 18, 2017	August 1, 2017

Changes to the above schedule will be managed by the established project change request approval process.

- 4.25 **Services.** The Contractor will perform services and tasks in accordance with the Eligibility PMO governance approved Project Change Request (PMM-014) that includes the specific schedule and necessary additional SAN and RAM needs.
- 4.26 The Contractor will provide project integration and regression testing that includes End-to-end testing and implementation. Project regression testing will be executed to validate deployment functionality between the new environments.
- 4.27 **Deliverables.** Documentation including a Test Plan (SEM-0602) that contains the Test Type Approach and Report will be provided upon completion of SIT testing by the Contractor.
- 4.28 The Contractor will provide a screen shot of each additional environment that clearly indicates date, base Operating System (OS) version, Random Access Memory (RAM), Storage Area Network (SAN), and backups.
- 4.29 The monthly firm fixed payment of ISD and MCC Hosting and Storage costs will begin on the date that the UAT environment is confirmed available

5. PROJECT CONTROL AND REPORTS

- 5.1 **Weekly Status Report.** Contractor must submit a weekly status Report to the DTMB Program Manager and Eligibility PMO Project Manager throughout the Project term.
- 5.2 **Weekly Status Report Details.** Each Weekly Status Report must contain the following information:
- 1) **Accomplishments.** Contractor must state the tasks completed during the current month's reporting period. These may include, but are not limited to the following items:
 - a) Reports on any application defects or errors
 - b) Issue and Resolution Log Report
 - c) Recommendations for application changes
 - d) Change Log Reports
 - e) Defect Log Reports
 - f) Quality Assurance Report
 - g) Root Cause Analysis Report explaining the root cause of any and all errors
 - h) Project Schedule
 - 2) **Projected Accomplishments.** Contractor must describe the activities projected to be accomplished during the next month's reporting period.
 - 3) **Issues.** Contractor must describe any issues, risks, changes, real or perceived, and recommend resolutions.
- 5.3 **Quality Management Plan.** As part of a good faith effort to satisfy all Contract requirements timely and accurately, Contractor will establish and maintain a written Quality Management Plan ("QC Plan") specific to the Rulebase application and services and deliverables under the contract. The QC Plan must be based on Contract requirements, including, but not limited to, the SOW, project-level standards, benchmarks, and other protocols mutually determined between the State and Contractor. QC Plan must incorporate the use of both automated and manual quality control tools so that the Contractor can continuously monitor the timeliness and accuracy of all billings, services, and deliverables to the State.
- 5.4 **Updates to Quality Management Plan.** Contractor will deliver a copy of its QC Plan to the DTMB Program Manager within 30 days after this SOW becomes effective. Contractor must provide any updates or changes to QC Plan to the DTMB Program Manager no later than 30 days after the Contractor has updated or changed the QC Plan.

6. SPECIFIC AGENCY STANDARDS

- 6.1 **Compliance with State and Federal Law, Administrative Regulations, Guidelines, and Recommendations.** Contractor must provide, consistent with the Contract, that the system complies with all Federal and State law, administrative regulations, guidelines, and recommended policies. These include, but are not limited to, the above as released from the Centers for Medicare and Medicaid Services (CMS), Internal Revenue Service (IRS), the National Institute of Standards and Technology (NIST), U.S. Office of Management

and Budget (OMB), National Institutes of Health (NIH), and the Office for Civil Rights (“OCR”). In the event a change in applicable law results in a material change in Contractor’s level of effort, costs, or schedule of activities required to achieve compliance in accordance with this Section 6.1, Contractor and the State will follow the established project change control and CCN process in order to mutually agree to an SOW amendment.

6.2 **Project Change Request.** In the event Contractor identifies a State and federal policy and/or standard that may have security requirements or security impact on this Contract’s Project, Contractor must immediately notify the State. The Contractor and the State will follow the established project change control and CCN process in order to mutually agree to an SOW amendment.

7. PAYMENT SCHEDULE AND PRICING

7.1 Payment for the OS Upgrade and the increase in environments will be made on a one time upon acceptance of the following deliverables (projected 8 week timeline):

Service	Deliverable	Amount
OS Upgrade	Test Plan and Result	\$45,000.00
	Screen Shots	\$45,000.00
MCC/ISD Additional Environments	Test Plan and Result	\$829.00
	Screen Shots	\$829.00
Total Value of One Time Deliverable Costs		\$91,658.00

7.2 Payment will be made on a firm fixed fee basis, billed monthly for a twelve month term of 5/31/17 – 5/30/18 at the following rates subject to no annual increases:

Service	Monthly Rate	Total 12 Months
Operations	\$109,602.00	\$1,315,224.00
Maintenance	\$32,680.00	\$392,160.00
SDLC Enhancements	\$402,574.00	\$4,830,888.00
ISD and MCC Hosting and Storage	\$5,509.00	\$66,108.00
Total Value of Monthly Costs		\$6,604,380.00

7.3 At the sole discretion of the State, the State may withhold up to 20% from each monthly SDLC Enhancement payment until final acceptance by the State of the Monthly Expected Deliverables as described above in Section 4.3(2)(c).

7.4 **The Total SOW Value is \$6,696,038.00**

7.5 Each of the following Roles contributes to, and is involved with, all phases of SDLC in relation to Enhancements and M & O tasks for the Rulebase application. The specified rates are not intended to be used for time and materials pricing for the fixed monthly SDLC enhancement price.

Role	Count	Rate	Approximate Hours/Month	Total Cost
Project Manager	1.25	\$261	218.75	\$57,001.88
System Analyst	1	\$157	175	\$27,396.25
OPA Specialist	3	\$343	525	\$180,285.00
QA Manager	1	\$157	175	\$27,396.25
Senior Consultant	0.5	\$333	87.5	\$29,163.75
Technical Lead	1	\$247	175	\$43,657.25
Tester	2	\$113	350	\$39,945.50
Total Cost of Resources				\$404,845.88
TOTAL Cost of Monthly SDLC Enhancements (reflects 0.5% discount)				\$402,574.00

7.6 DTMB will pay Contractor upon receipt of properly completed invoice(s) which must be submitted to the billing address on the State issued purchase order not more often than monthly. The DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Program Manager approval. All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Program Manager prior to payment. The invoices must include the Purchase Order and describe and document to the State's satisfaction a description of the work performed and fees.

7.7 This SOW does not constitute any commitment from the State to utilize additional Contractor services.

7.8 Any and all additional work effort or services not included in this SOW must be pre-approved by the State DTMB Program Manager and follow the State's established Project Change Request approval processes.

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

8. TECHNICAL ASSUMPTIONS

- 8.1 All Rulebase enhancements or changes will be identified by the State and/or the Contractor through an approved Project Charter or through the established Project Change Request Process.
- 8.2 All security patches and system and software configuration changes must be tested before deployment.
- 8.3 There must be separate development, test and production environments.
- 8.4 The scope inclusion in each release must be defined by the Eligibility PMO program level scope and requirements, further delineated during project requirements sessions.
- 8.5 There is a need to continue support of production deployments concurrently with other services provided as part of this SOW.
- 8.6 Resources assigned are available for all SDLC and M & O activities as prioritized by the State.
- 8.7 If the scope of work requested of the Contractor by the State necessitates an increase in staffing to accommodate, the Contractor must recommend staffing changes, including associated pricing adjustments. The Contractor and the State will follow the established project change control and CCN process in order to mutually agree to an SOW amendment.

9. PROJECT CONTACTS

9.1 **DHHS Business Owner.** The State DHHS Business Owner for all matters concerning the execution of the business requirements as services required by this Statement of Work is:

Logan Dreasky
Michigan Department of Health and Human Services
400 S. Pine St.
Lansing, MI 48933
DreaskyL@michigan.gov
(517) 241-5414

9.2 **DTMB Program Manager.** The State DTMB Program Manager for all matters concerning the execution of the information technology services required by this Statement of Work is:

Kemal Tekinel
Michigan Department of Technology Management and Budget
Agency Services Supporting Michigan Department of Health and Human Services
235 S. Grand Ave., Ste. 3
Lansing, MI 48933
TekinelK@michigan.gov
(517) 241-5779

Entire Agreement. This Statement of Work, together with the existing Contract, constitutes the Parties' complete and exclusive statement regarding work requirements and procedures. Apart from the amendments made in this Statement of Work, all Contract terms and conditions must remain in full force and effect. The Parties reserve all rights and remedies under the Contract.

IN WITNESS WHEREOF, the Parties, intending to be legally bound, have caused their duly authorized officers to execute this SOW via a CCN signature page, which is incorporated herein by reference.



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

CONTRACT CHANGE NOTICE

Change Notice Number 13
 to
 Contract Number 071B3200100

CONTRACTOR	CGI Technologies and Solutions Inc
	11325 Random Hills Road
	Fairfax, VA 22030-6051
	Richard Crosby
	618-719-6714
	richard.crosby@cgi.com
	*****6778

STATE	Program Manager	Kemal Tekinal	DTMB-IT
		517-241-3314	
		Tekinelk@michigan.gov	
	Contract Administrator	Simon Baldwin	DTMB
		(517) 284-6997	
		baldwins@michigan.gov	

CONTRACT SUMMARY				
MAGI ELIGIBILITY DETERMINATION SERVICE				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
May 31, 2013	May 30, 2016	2 - 1 Year	May 30, 2017	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		May 30, 2017
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$29,372,698.59	\$0.00	\$29,372,698.59		
DESCRIPTION				
Effective 12/1/2016, Steven Murphy replaces Beth Long as the MAGI Eligibility Determination Service Project Manager. All other terms, conditions, specifications, and pricing remain the same. Per Contractor and Agency agreement and DTMB Procurement approval.				
Approved Ad Board Contract Value: \$30,719,360.00 Remaining Approved AD Board Contract Value: \$1,346,661.41				

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
 PROCUREMENT

525 W. ALLEGAN STREET
 LANSING, MI 48933

P.O. BOX 30026
 LANSING, MI 48909

CHANGE NOTICE NO. 12
 to
 CONTRACT NO. 071B3200100
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
CGI Technologies and Solutions Inc. 11325 Random Hills Road Fairfax, VA 22030-6051	Rick Crosby	Richard.crosby@cgi.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(618) 719-6714	6778

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Kemal Tekinel	(517) 241-3314	TekinelK@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Simon Baldwin	(517) 284-6997	BaldwinS@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
May 31, 2013	May 30, 2016	(2) 1-Year Options	May 30, 2016
PAYMENT TERMS		DELIVERY TIMEFRAME	
N/A		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 - Year	<input type="checkbox"/>	N/A	May 30, 2017
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$22,899,166.59		\$6,473,532.00	\$29,372,698.59	

DESCRIPTION: Effective May 17, 2016, the first option year available for this Contract is hereby exercised and is increased by \$6,473,532.00. The following amendment is hereby incorporated into the Contract per the attached Statement of Work. Please note, a change of contact for section 2.025 - Notices.

Jon Jasper
 Vice President, Consulting Services
 300 S Washington Square, Suite 405
 Lansing, MI 48933
 (248) 496-4336

All other terms, conditions, specifications, and pricing remain the same per Contractor and Agency agreement, DTMB

Procurement approval and State Administrative Board approval on May 17, 2016.

Approved Ad Board Contract Value: \$30,719,360.00

Remaining Approved AD Board Contract Value: 1,346,661.41



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

Project Title: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service Option Year 1 Renewal	Period of Coverage: 05/31/16 - 05/30/17
Requesting Department: Department of Health and Human Services (DHHS)	Date: 05/17/16
DHHS Business Owner: Logan Dreasky	Phone: (517) 241-5414
DTMB Program Manager: Kemal Tekinel	Phone: (517) 241-5779
DTMB Contract Administrator: Simon Baldwin	Phone: (517) 284-6997

Brief Description of Services to be provided:

Exercise Option Year One

1. OVERVIEW, DEFINITIONS AND BACKGROUND

- 1.1 All duties and obligations described herein will become part of existing Contract 071B3200100. All terms, conditions, and specifications contained in the existing Contract must remain in full force and effect.
- 1.2 **“Environment”** means the combination of server hardware and software to support a functional technical solution. The operating system for this Project must minimally include three environments: testing (allows for Contractor and State testing), production (daily user environment), and disaster recovery (fail over should the production environment become unavailable).

- 1.3 **“Implementation”** means activities required to install the software, databases, and/or data that comprise the product onto the hardware platform. User training is included as part of an Implementation.
- 1.4 **“Operational”** means system availability in the production environment.
- 1.5 **“Risk”** means an unknown circumstance or event that, if it occurs, may have a positive or negative impact on the project and/or Contractor’s services and deliverables.
- 1.6 **“Support”** means Contractor’s resolution of any and all concerns from the DTMB Program Manager regarding Project services and deliverables.
- 1.7 **“Testing”** includes creation and execution of a DTMB-approved Testing Plan. Testing, at a minimum, must include Unit, Integration, System (SIT) and User Acceptance (UAT) testing at a Project and Program level.
- 1.8 **“Software”** means any computer program(s), including programming tools, scripts and routines, the Contractor is required to or otherwise does develop or otherwise provide under this Contract including all updates, upgrades, new versions, new releases, enhancements, improvements, and other modifications made or provided under the Maintenance and Support Services.
- 1.9 Any terms or concepts in this SOW that are not defined in the Contract are governed by their plain meaning.
- 1.1 In 2013, CGI Technologies and Solutions Inc. (Contractor or CGI) entered into Contract Number 071B3200100 with the State of Michigan (State) to provide services and deliverables in support of the Modified Adjusted Gross Income (MAGI) eligibility determination services rules engine application; including system enhancements, hosting, operational and maintenance support. The Contract term is from May 31, 2013 through May 30, 2016 and includes two one-year options for extension.
- 1.2 The rules engine application (“MAGI Eligibility Determinations Rulebase” or “Rulebase”) was implemented in January 2014 under direction from the Department of Technology, Management and Budget (DTMB) Medicaid Compliance Program (MCP) Project Management Office (PMO). MCP has since been expanded to include all State Eligibility applications and is now referred to as the Business Integration Center (BIC) Eligibility Program Management Office, or “Eligibility PMO”. The purpose of the Eligibility PMO is to support the State as specified in the Contract between the parties in enhancing, implementing, and supporting Rulebase functionality as identified in the Eligibility PMO objectives governed by DHHS and DTMB business and technical needs.

2. PROJECT OBJECTIVES

- 2.1 This SOW will exercise option year one for ongoing system enhancements and support services of the Rulebase as described within the Contract effective from May 31, 2016, through May 30, 2017 and is subject to the option year provisions.

3. SCOPE OF WORK

3.1 Contractor must perform the services and deliverables specified in the Contract and this Statement of Work using 9.75 full-time equivalent resources as specified below:

1)	Project Manager:	1.25
2)	System Analyst:	1.00
3)	OPA Specialist:	3.00
4)	QA Manager:	1.00
5)	Senior Consultant:	0.50
6)	Technical Lead:	1.00
7)	Tester:	2.00

3.2 In the event that accomplishment of the scope of work requires additional resources beyond the 9.75 FTEs prescribed in Section 3.1 or a reallocation of resources among the specified categories, the parties will manage the required change through the established change control process.

4. CONTRACTOR'S SERVICES AND DELIVERABLES

Except as otherwise specified in this Section 4, CGI will continue to perform the scope of work specified in the Contract, as previously amended.

4.1 In accordance to DTMB Information Technology Configuration Management Policy, the Contractor must provide 2 week written notice to the Eligibility Project Manager of any planned changes that may impact, or have the potential to impact, the Rulebase and any supporting or downstream systems of the Rulebase. The Contractor must notify the Eligibility Project Manager in writing of any emergency change, or fix, as soon as it is made known to the Contractor Project Manager. The State may request an exception for change(s) in writing. The Contractor must consider, determine feasibility and work in partnership with the State for any such request.

4.2 **Satisfaction.** Contractor must not consider any aspect of this Project to be complete until Contractor has received a written confirmation of satisfactory work from the DTMB Program Manager in accordance with the terms and conditions of the Contract.

4.3 **Project Management Services.** Contractor must perform services, tasks, activities and provide deliverables as outlined in the existing Contract, including but not limited to sections 1.200 (A) Contractor Roles and Responsibilities, 1.300 Project Plan, and 1.400 Project Management. Contractor resources must be managed by the Contractor Project Manager to ensure resources are 100% allocated to State requested and authorized work activities. The Contractor Project Manager will notify the Eligibility PMO Project Manager of any projected or realized availability in Contractor resource capacity.

4.4 **Project Management Deliverables.** In addition to Project Management deliverables within the existing Contract, the Contractor Project Manager must provide the following to the Eligibility PMO Project Manager:

- 1) **Resource list** that is current and updated as changes occur. This must include the resources assigned to the project by name, location, email/phone contact information, and their role as identified in the Contract by Attachment D – Contract Pricing, Table 4.

- 2) **System Development Lifecycle (SDLC) Deliverables** due each month are determined based upon the Eligibility PMO approved Project Schedule and the Milestones within.
- a) The Eligibility PMO Project Manager will document and provide to the Contractor Project Manager by the fifth day of each month, the expected deliverables for that month (“Monthly Expected Deliverables” or “DED”). The Contractor Project Manager will validate and confirm expected deliverables and both parties will agree by signature.
 - b) The Eligibility PMO Project Manager will be update the DED during the month as work activities and deliverables are identified, adjusted or removed.
 - c) Contractor’s Project Manager must perform a final quality control review and is ultimately responsible for the overall quality of all billings, recoupments, and deliverables.
 - d) The Contractor Project Manager will confirm and validate that all Monthly Expected Deliverables are complete and accurate prior to providing to the Eligibility PMO Project Manager. The DED will be updated to reflect Monthly Accepted Deliverables (“DAD”). The DED will constitute State acceptance of the Deliverables listed within and will be approved by the DTMB Program Manager per the process outlined within the Contract.
 - e) Identify the percentage of costs attributable to the State identified categories of Rulebase Enhancement (by Release number assigned), Rulebase M & O (by Work Request or Release number assigned), or Rulebase Defect resolution on the monthly invoice.

4.5 **Preliminary Analysis.** The Contractor will perform preliminary analysis/impact analysis as requested and prioritized by the State and as further described in Section 4.6 and 4.7.

4.6 **Preliminary Analysis Services.** Impact analysis will primarily be conducted for proposed changes, new/altered business requirements, new projects and defects as identified by the Eligibility PMO. Impact Analysis for identified and confirmed production defects must be conducted at no additional cost to the State, and must be addressed by the Contractor using the existing, planned team resources. The Contractor will communicate to the Eligibility PMO Project Manager the impact of these activities to established and approved Project timelines. If necessary to protect established timelines, the Eligibility PMO will determine and communicate work priority to the Contractor.

4.7 **Preliminary Analysis Deliverables.** Impact Analysis results/response must be provided consistent with a 48-hour objective for items deemed high priority and where practical. The Contractor must perform preliminary analysis/impact analysis as requested and prioritized by the Eligibility PMO Project Manager. The Contractor must provide a written impact statement, propose alternative solutions and describe impacts to costs, schedule, resources and other Medicaid system components for proposed work, as well as impact to work in progress to the Eligibility PMO Project Manager. For the purpose of this SOW, Contractor is required to document in any Impact Analysis delivered, additional impact to any system components including hardware, software, interfaces, services, data, and databases.

4.8 **Rulebase Enhancements.** Rulebase enhancements include any modification to the Rulebase, including but not limited to rule development, enhancements and modifications to the functionality of the Rulebase as part of any release activity (“releases”) identified by the Eligibility PMO (e.g. minor release, release independent, major release). Rules engine

enhancements must proceed through the SUITE methodology and must include all phases of SDLC services as outlined in Section 1.104(I) of the Contract.

4.9 **Rulebase Enhancements Services.** The Contractor must provide SDLC services and follow the State and Contractor Roles and Contractor Approach as outlined in the Contract Section 1.104(I). SDLC services include, but are not limited to the following:

- 1) Initiation and Planning Activities (e.g. Project Charter, Project Plan, documenting risks, assumptions, critical success factors, resource needs, quality expectations, communication expectations)
- 2) Detailed Business and Technical Requirements
- 3) Application Design
- 4) Application Development
- 5) Testing
- 6) Implementation
- 7) Documentation
- 8) Training and Knowledge Transfer

4.10 **Rulebase Enhancements Deliverables.** The Contractor must provide the Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in the Contract Section 1.104(I) for the appropriate stage of SDLC service activities. Where appropriate, existing project deliverables will be updated to incorporate enhancements. Any SUITE template or deliverable waivers must be agreed upon with the DTMB Program Manager listed within this Statement of Work.

4.11 **Project Schedule.** The high-level Project Schedule is estimated as follows:

RELEASE	DATE
16.06	June 2016
16.09	September 2016
16.12	December 2016
17.03	March 2017
17.06	June 2017

4.12 **SUITE Deliverables.** Contractor must satisfy all State SUITE requirements. These include, but are not limited to:

SUITE Form	Deliverable Name and Comments	Project Schedule Milestone
PMM-0101	Project Charter <i>Eligibility PMO Provides, Contractor to review and approve</i>	Initiation and Planning

PMM-0102	Project Schedule <i>Submitted with Weekly Status Report</i>	Initiation and Planning
PMM-0014	Project Change Request <i>Initiated by, and in collaboration with, Eligibility PMO PM</i>	All
SEM-0302	Software Configuration Management Plan (final) <i>Plan provided, State directs format</i>	Design (System)
SEM-0402	Requirements Specification (final) <i>Specifications provided, State directs format</i>	Design (Functional)
SEM-0501	Functional Design Document (final) <i>Functional Design provided, State directs format</i>	Design (Functional)
SEM-0604	System Design <i>System Design provided. State directs format</i>	Design (System)
SEM-0701	Transition Plan (initial) <i>As requested by the DTMB Program Manager— End of the project when transitioning to SOM or their designees</i>	Construction
SEM-0703	Training Plan (initial) <i>As requested by the DTMB Program Manager— End of the project when transitioning to SOM or their designees</i>	Construction
SEM-0401	Requirements Traceability Matrix (final) <i>Matrix provided, State directs format</i>	Testing
SEM-0602	Test Plan (final)	Testing
SEM-0603	Test Type Approach and Report (final) <i>Included with SEM-0602</i>	Testing
SEM-0606	Test Case (final) <i>Testing completed and results submitted after SIT testing</i>	Testing
SEM-0703	Training Plan (final)	Testing

	<i>As requested by the DTMB Program Manager– End of the project when transitioning to SOM or their designees</i>	
SEM-0301	Maintenance Plan (final) <i>Updated only as needed</i>	Implementation
SEM-0701	Transition Plan (initial) <i>As requested by the DTMB Program Manager– End of the project when transitioning to SOM or their designees</i>	Implementation
SEM-0702	Installation Plan <i>Rulebase Developer's Guide for OPA - Not in SUITE format</i>	Implementation
DTMB-0170	Security and Assessment Plan (final) <i>Continually identify and notify Eligibility PMO of any Changes that impact security State completes DTMB-0170</i>	Implementation
SEM-0189	Stage Exit <i>Eligibility PMO Provides, Contractor to review and approve</i>	All
SEM-0931	System Maintenance Document <i>Provided for M & O changes</i>	All

5. PROJECT CONTROL AND REPORTS

- 5.1 **Weekly Status Report.** Contractor must submit a weekly status Report to the DTMB Program Manager and Eligibility PMO Project Manager throughout the Project term.
- 5.2 **Weekly Status Report Details.** Each Weekly Status Report must contain the following information:
- 1) **Accomplishments.** Contractor must state the tasks completed during the current month's reporting period. These may include, but are not limited to the following items:
 - a) Reports on any application defects or errors
 - b) Issue and Resolution Log Report
 - c) Recommendations for application changes
 - d) Change Log Reports

- e) Defect Log Reports
- f) Quality Assurance Report
- g) Root Cause Analysis Report explaining the root cause of any and all errors
- h) Project Schedule

- 2) **Projected Accomplishments.** Contractor must describe the activities projected to be accomplished during the next month's reporting period.
- 3) **Issues.** Contractor must describe any issues, risks, changes, real or perceived, and recommend resolutions.

5.3 **Quality Management Plan.** As part of a good faith effort to satisfy all Contract requirements timely and accurately, Contractor will establish and maintain a written Quality Management Plan ("QC Plan") specific to the Rulebase application and services and deliverables under the contract. The QC Plan must be based on Contract requirements, including, but not limited to, the Statement of Work ("SOW"), project-level standards, benchmarks, and other protocols mutually determined between the State and Contractor. QC Plan must incorporate the use of both automated and manual quality control tools so that the Contractor can continuously monitor the timeliness and accuracy of all billings, services, and deliverables to the State.

5.4 **Updates to Quality Management Plan.** Contractor will deliver a copy of its QC Plan to the DTMB Program Manager within 30 days after this SOW becomes effective. Contractor must provide any updates or changes to QC Plan to the DTMB Program Manager no later than 30 days after the Contractor has updated or changed the QC Plan.

6. SPECIFIC AGENCY STANDARDS

6.1 **Compliance with State and Federal Law, Administrative Regulations, Guidelines, and Recommendations.** Contractor must provide, consistent with the Contract, that the system complies with all Federal and State law, administrative regulations, guidelines, and recommended policies. These include, but are not limited to, the above as released from the Centers for Medicare and Medicaid Services (CMS), Internal Revenue Service (IRS), the National Institute of Standards and Technology (NIST), U.S. Office of Management and Budget (OMB), National Institutes of Health (NIH), and the Office for Civil Rights ("OCR"). In the event a change in applicable law results in a material change in Contractor's level of effort, costs, or schedule of activities required to achieve compliance in accordance with this Section 6.1, Contractor and the State will follow the established change control process in order to mutually agree to an SOW amendment.

6.2 **Project Change Request.** In the event Contractor identifies a State and federal policy and/or standard that may have security requirements or security impact on this Contract's Project, Contractor must immediately notify the State. The Contractor and the State will follow the established change control process in order to mutually agree to an SOW amendment.

7. PAYMENT SCHEDULE AND PRICING

- 7.1 Payment will be made on a firm fixed fee basis, billed monthly for a twelve month term of 5/31/16 – 5/30/17 at the following rates subject to no annual increases:

Service	Monthly Rate	Total 12 Months
Operations	\$108,517.00	\$1,302,204.00
Maintenance	\$32,356.00	\$388,272.00
SDLC Enhancements	\$398,588.00	\$4,783,056.00
SOW TOTAL VALUE		\$6.473.532.00

- 7.2 At the sole discretion of the State, the State may withhold up to 20% from each monthly SDLC Enhancement payment until final acceptance by the State of the Monthly Expected Deliverables as described above in Section 4.3(2)(c).

- 7.3 Each of the following Role contributes to, and is involved with, all phases of SDLC in relation to Enhancements and M & O tasks for the Rule base application. The specified rates are not intended to be used for time and materials pricing for the fixed monthly SDLC enhancement price.

Role	Count	Rate	Approximate Hours/Month	Total Cost
Project Manager	1.25	\$258	218.75	\$56,328.00
System Analyst	1	\$155	175	\$27,038.00
OPA Specialist	3	\$340	525	\$178,448.00
QA Manager	1	\$155	175	\$27,038.00
Senior Consultant	0.5	\$330	87.5	\$28,840.00
Technical Lead	1	\$247	175	\$43,260.00
Tester	2	\$113	350	\$39,655.00
Total Cost of Resources				\$400,607.00
TOTAL Cost of Monthly SDLC Enhancements				\$400,535.00

- 7.4 DTMB will pay Contractor upon receipt of properly completed invoice(s) which must be submitted to the billing address on the State issued purchase order not more often than monthly. The DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Program Manager approval. All invoices should reflect actual work completed by payment date,

and must be approved by the Agency and DTMB Program Manager prior to payment. The invoices must include the Purchase Order and describe and document to the State's satisfaction a description of the work performed and fees.

- 7.5 This SOW does not constitute any commitment from the State to utilize additional Contractor services.
- 7.6 Any and all additional work effort or services not included in this SOW must be pre-approved by the State DTMB Program Manager and follow the State's established Project Change Request approval processes.
- 7.7 Payment must be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

8. TECHNICAL ASSUMPTIONS

- 8.1 All Rulebase enhancements or changes will be identified through an approved Project Charter or through the established Project Change Request Process.
- 8.2 All security patches and system and software configuration changes must be tested before deployment.
- 8.3 There must be separate development, test and production environments.
- 8.4 The scope inclusion in each release must be defined by the Eligibility PMO program level scope and requirements, further delineated during project requirements sessions.
- 8.5 There is a need to continue support of production deployments concurrently with other services provided as part of this SOW.
- 8.6 Resources assigned are available for all SDLC and M & O activities as prioritized by the State.
- 8.7 If the scope of work requested of the Contractor by the State necessitates an increase in staffing to accommodate, the Contractor must recommend staffing changes, including associated pricing adjustments. The Contractor and the State will follow the established change control process in order to mutually agree to an SOW amendment.

9. PROJECT CONTACTS

- 9.1 **DHHS Business Owner.** The State DHHS Business Owner for all matters concerning the execution of the business requirements as services required by this Statement of Work is:
Logan Dreasky
Michigan Department of Health and Human Services

400 S. Pine St.

Lansing, MI 48933

DreaskyL@michigan.gov

(517) 241-5414

9.2 **DTMB Program Manager.** The State DTMB Program Manager for all matters concerning the execution of the information technology services required by this Statement of Work is:

Kemal Tekinel

Michigan Department of Technology Management and Budget

Agency Services Supporting Michigan Department of Health and Human Services

235 S. Grand Ave., Ste. 3

Lansing, MI 48933

TekinelK@michigan.gov

(517) 241-5779

Entire Agreement. This Statement of Work, together with the existing Contract, constitutes the Parties' complete and exclusive statement regarding work requirements and procedures. Apart from the amendments made in this Statement of Work, all Contract terms and conditions must remain in full force and effect. The Parties reserve all rights and remedies under the Contract.

IN WITNESS WHEREOF, the Parties, intending to be legally bound, have caused their duly authorized officers to execute this Agreement via a contract change notice signature page, which is incorporated herein by reference.

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
 PROCUREMENT

525 W. ALLEGAN STREET
 LANSING, MI 48933

P.O. BOX 30026
 LANSING, MI 48909

CHANGE NOTICE NO. 11
 to
 CONTRACT NO. 071B3200100
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
CGI Technologies and Solutions Inc. 11325 Random Hills Road Fairfax, VA 22030-6051	Richard Crosby	Richard.crosby@cgi.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(618) 719-6714	6778

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Kemal Tekinel	(517) 241-3314	TekinelK@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Simon Baldwin	(517) 284-6997	BaldwinS@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
May 31, 2013	May 30, 2016	(2) 1-Year Options	May 30, 2016
PAYMENT TERMS		DELIVERY TIMEFRAME	
N/A		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	May 30, 2016
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$22,899,166.59		\$0.00	\$22,899,166.59	

DESCRIPTION: Effective April 18, 2016, the following Statement of Work for data regeneration is hereby added to this Contract. Contractor must provide an invoice credit in the amount of \$52,800.00 for associated costs to the data regeneration. All other terms, conditions, specifications, and pricing remain the same per Contractor and Agency agreement and DTMB Procurement approval.

Approved Ad Board Contract Value: \$23,719,360.00
 Remaining Approved AD Board Contract Value: 820,194.41



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

Project Title: Change Notice 11: MAGI Eligibility Service Data Regeneration	Period of Coverage: 12/12/2015- 05/30/2016
Requesting Department: Department of Health and Human Services (DHHS)	Date: 04/18/2016
DHHS Business Owner: Logan Dreasky	Phone: (517) 241-5414
DTMB Program Manager: Kemal Tekinel	Phone: (517) 241-5779
DTMB Contract Administrator: Simon Baldwin	Phone: (517) 284-6997

This Statement of Work is made a part of Change Notice No. 11 to Contract No. 071B3200100 (Contract) between the State of Michigan (State) and CGI Technologies and Solutions Inc. (Contractor or CGI) effective as of the date set forth on the signature page of this Agreement. **NOW THEREFORE**, the Parties agree as follows:

10. BACKGROUND AND OVERVIEW

- 1.10 In 2013, Contractor entered into Contract Number 071B3200100 with the State to provide services and deliverables that include Modified Adjusted Gross Income (MAGI) eligibility determination services, hosting, operational support, and maintenance. The Contract term is from May 31, 2013 through May 30, 2016 and includes two one-year options for extension.
- 1.11 Under the Contract, Contractor is obligated to provide long-term storage of MAGI Rules and Outcomes (R & O) data for eligibility determinations for the State Medicaid Compliance Program (MCP). See Contract §§ 1.001-1.100. Contractor's services and deliverables specifically

include providing data archival functionality and “data archiving/data retention”. See Contract Attachment A, § 1012.14, § 1010.21, and § 1014.4.

- 1.12 As part of the R & O creation process, information is collected from many systems to produce the application data elements as an end user applies for Medicaid. Data from application(s) go into an account transfer record. The account transfer record is updated with additional information from other trusted data sources. Trusted data sources include government systems such as IRS, CMS, Social Security, and Customs and Immigration Services.
- 1.13 For a decision of Medicaid/CHIP (Children’s Health Insurance Program) determinations, the individual account record (also known as “account transfer” or “account transfer packet”) is sent to the MAGI Eligibility Determination System (MAGI system). The MAGI system produces two files for the State: (1) a determination file record for each application (also known as a “determination result XML”) and (2) R & O file.
- 1.14 The State of Michigan Hub Solution (State Hub) retains the Medicaid/CHIP determination results for the State with the exception of the R & O file. The State Hub is the single source of contact between the Federal Data Hub and the State of Michigan for both the health insurance exchange and the Medicaid/CHIP activities. It includes a database and other security and technical components.
- 1.15 The R & O file contains every rule executed by the MAGI system and the outcome for each rule executed for each account transfer. Rules allow the State to determine Medicaid/CHIP eligibility. Outcomes designate which rules were satisfied for each individual account record.
- 1.16 On May 14, 2015, the State requested that the Contractor retrieve R & O files from the MAGI system and provide analyses for specific Account Transfers. On May 14, 2015, Contractor discovered that archived MAGI R & O data from January 25, 2014 through June 18, 2014 was inaccessible. On May 18, 2015, the Contractor confirmed to the State that the archived MAGI R & O data from January 25, 2014 through June 18, 2014 was inaccessible and destroyed (termed herein as “Destroyed Data”).
- 1.17 As a result of Contractor’s actions or omissions, approximately 3,061,853 MAGI eligibility determinations as R & O data are currently destroyed between the dates of January 25, 2014 and June 18, 2014. The State applications impacted by Destroyed Data include the MAGI system and the State Hub Solution (State Hub). The State Hub Solution is the single source of contact between the Federal Data Hub and the State of Michigan for both the health insurance exchange and the Medicaid/CHIP (Children’s Health Insurance Program) activities. It includes a database, security, and other technical components.
- 1.18 During the four-day span of May 14, 2015 through May 18, 2015, Contractor attempted to access the Destroyed Data, but was unsuccessful. Contractor has been unable to recover the Destroyed Data using Contractor’s back-up software. All data after June 18, 2014 was not impacted and is currently available and accessible. The State Hub has retained the individual account transfers and the determination results, however, the MAGI system is unable to produce the detailed rule decisions as auditable files that support the determination results. Contractor notified the State about the nature of the Destroyed Data on May 18, 2015.
- 1.19 From May 18, 2015 through the present, the State and Contractor have vetted all options available to re-enter the Destroyed Data. This includes the following events:
 - a. From May 18, 2015 through May 22, 2015, the Parties performed root cause analyses and began brainstorming possible technical solutions to make the Destroyed Data available. The Parties agreed to make plans to regenerate the Destroyed Data.

- b. From May 22, 2015 through June 11, 2015, the Parties held teleconference and in-person meetings to assess risks, the efforts needed, business impacts, technical impacts, and the options available to regenerate the Destroyed Data.
- c. On May 23, 2015, Contractor created a separate and new MAGI production environment to support regenerating the Destroyed Data.
- d. On June 30, 2015, the State Medicaid governing body approved a general course of action to regenerate the Destroyed Data.
- e. From June 30, 2015, through the present, the Parties established the nature and scope of the Destroyed Data. The Parties also detailed the technical specifics available to regenerate the Destroyed Data. This included numerous meetings between State information technology and business experts to finalize requirements and estimate work costs for State resources.

1.20 Subject to the limitations set forth in the Contract, Contractor is liable to the State for any past, present, or future damages suffered as a result of the Destroyed Data. See Contract §§ 2.128-2.129, § 2.221, et al. Except as expressly provided herein, nothing in this Statement of Work will be construed to modify the Parties' rights, responsibilities, or remedies under the Contract.

11. CONTRACTOR'S SERVICES AND DELIVERABLES

11.1 By no later than May 30, 2016, Contractor must fully regenerate all Destroyed Data based on the historical information in the State Hub database. This end date includes the following technical assumptions:

- 1) The State will transmit historical information from the State Hub to Contractor.
- 2) The State will provide Contractor with a 90-day window after Hub Transmission to regenerate the Destroyed Data.

11.2 Contractor's actions to regenerate the Destroyed Data must include, but are not limited to, planning requirements, designing, development, testing and implementing the necessary actions to reproduce and archive the Destroyed Data. These activities must be performed in accordance with this Statement of Work.

11.3 Contractor's services and deliverables must include the following in order to recreate Destroyed Data:

- a. **Collaboration.** Contractor must collaborate with the State Contractor Deloitte Consulting, LLC (State Contract No. 071B3200103) to retrieve the necessary information from the State Hub to reproduce the Destroyed Data. This information includes, but is not limited to enriched account transfer (AT) data with a unique GUID (Globally Unique Identifier) number and Determination Result XML (also known as Extensible Markup Language) format.
- b. **Web service.** Contractor must also create a web service to accept enriched AT data with a unique GUID number and Determination Result XML format. The new web service must reprocess and validate approximately 3,061,853 eligibility determination results based upon the historical determination and account transfer information provided by the State Hub. The information must then be analyzed and processed to produce the State's R & O files for the MAGI system.

- c. **Transmission.** Contractor must ensure the web service transmits the information to a new endpoint environment. Contractor must ensure it receives all enriched AT data, GUID number, and Determination Result XML information for the Destroyed Data from the Hub Solution.
- d. **Receipt and Acknowledgement of Successful Transfer.** Transfer Account service is constructed from the new WSDL (Web Services Description Language). State Hub will send all account transfers to the MAGI system. For each account transfer, the Transfer Account Service must accept three items (also known as “parameters”): (1) Account Transfer Request XML document, (2) GUID number and (3) determination result XML document. The MAGI system must return an acknowledgement of receipt of successful transfer and the GUID to the State Hub.
- e. **AT Processing.** In processing the AT’s, Contractor must apply the appropriate rules and policies in effect at the time of the Destroyed Data for the Medicaid/CHIP eligibility determination.
- f. **Identify Errors.** The State Hub must ensure all records sent to the MAGI system receive a confirmation that the record was received or failed to transfer. If the request is not formatted properly or the XML document sent does not pass XSD (XML Schema Definition) validation, the web service must return a “Client” SOAP (Simple Object Access Protocol) Fault message. SOAP is the electronic standard that coordinates communications between the State Hub and the MAGI system. If an error occurs on the server while the request is being processed, a “Server” Fault message must be returned. Contractor must ensure the temporary web service enforces SOAP 1.1 specifications and uses documented lateral parameters. The SOAP Fault types must be either a (1) Client or (2) Database Store Error, specified as follows.
 - i. The term “client” indicates an Invalid xml or content (marshaling error) and/or a request submitted with incorrect formatting. Contractor must correct and re-submit all client errors.
 - ii. The term “Database Store Error” indicates the MAGI systems is down. Contractor must report all Database Store Errors and retry the transmission(s).
- g. **Regeneration.** Contractor must ensure it fully regenerates all Destroyed Data based on the historical data from the State Hub.
- h. **Storage.** Contractor must properly store the newly regenerated R & O data (Regenerated Data).
- i. **Information Validation.** Contractor must validate the reprocessed determinations match the historical determinations provided by the State HUB.
- j. **Archives Generally.** Contractor must archive the Regenerated Data using the State-approved subcontractors Iron Mountain and Commvault. In addition to the storage and data recovery requirements of the Contract, archives are limited to the following locations and mediums only: (1) On disk in Commvault’s data center in Phoenix, Arizona; (2) On tape in Iron Mountain’s data center in Phoenix, Arizona; (3) On disk in Commvault’s Philadelphia data center; and (4) On tape in Iron Mountain’s Philadelphia data center. Contractor must not utilize any other location or medium for storage without written approval from the State.
- k. **Archive Implementation.** The Archiving Module must implement a combination of Java programs and Database procedures to extract both the Oracle Policy Automation (OPA) Rules Input (mapped from the AT) as well as the R & O data from the MAGI system and

stores them in an encrypted and compressed archive. It also stores historical information associated with these files.

- I. **Archiving Module Deletion.** Once the Destroyed Data has been fully regenerated and the R & O results are permanently archived from the MAGI system database, the processing data must be deleted from the Archiving Module. All R & O fields of these records must be stored as required by the Contract and described herein. The R & O data must be made available to State via a process as yet to be determined within 24 hours of State requesting the R & O for a given GUID. A nightly job must save these archives to Tape that will be retained for seven years. A nightly job must also delete all records that were archived from the MAGI system. Deletion includes the following specifics:
 - i. All records with a REQ_DELETE_FLG='T' designation that fall within the date-time range requested for archive must be deleted. All R & O fields of these records will be written out to disk and identified by GUID.
 - ii. All records with REQ_DELETE_FLG='F' and DET_STATUS ='E' designations that fall within the date-time range requested for archive must be deleted. All R & O fields of these records containing only the SOAP fault message will be written out to disk and identified by GUID.
- m. **Production-Like Environment.** Contractor must develop and maintain a production-like environment to process records using the security methods established in the Contract.
- n. **Create Structures.** Contractor must set up file and database structures for the requests to be received, determination results, R & O, and processing flags are all stored in MySQL databases. All the data elements except for the R & O are stored on the main database. The R & O are stored only in the MAGI system.
- o. **Audits and Queries.** Contractor must ensure full audit reports can be generated at any time for the regenerated Destroyed Data. Contractor must also ensure:
 - i. Specific queries can be run against all data tables.
 - ii. Auditing is executed using database triggers.
 - iii. Any and all modifications made to the Regenerated Data in the MAGI system is tracked. Modifications include, but are not limited to, creating, updating, or deleting the Regenerated Data.
- p. **Detect Unauthorized Changes.** Contractor must provide an efficient means to detect any and all unauthorized changes; a summary of all changes by User ID is created and sent contained in the MAGI system's Daily Report. In the event any abnormal activity is detected or suspected by any Party, Contractor must run additional reporting against the data tables and provide to the State. Upon request, Contractor must produce the Daily Report that includes the MAGI Processing Report, GUID List of Determinations Not Computed, and an Audit Log.
- q. **Decoupled System Modules Processing.** Contractor must ensure processing will occur in new system modules that are decoupled. Contractor must ensure modules interact with each other only through the MAGI system. This design is in keeping with the State requirement that the Eligibility Determination Service be asynchronous and reliable. Each module is described below and the processing workflow is detailed.
- r. **System Interactions.** Contractor must ensure the Determine Eligibility Module implements the new AT Web Service and interacts with the client that is calling the web service to receive the request. The module receives the client web service call and if the call is valid, the module stores the input data in the MAGI system. Once the data is committed to the MAGI system, an acknowledgement is sent to the client with the GUID from the database.

- s. **Determinations Processor Module.** Contractor must ensure the Determinations Processor Module runs as a process (also known as “daemon”) and continuously scans the database table to process the records. The module scans for records that have a Determination Status of “N” for “Not Processed”. If it finds one, it locks it and if successful begins the process of calling the Oracle Determinations Server (ODS) to invoke the rule base and get a determination. The following occurs in the database as a result of this module execution:
- i. The determination status must be changed to Completed (also known as Status Code “C”) if the call to OPA and subsequent mapping were successful. If an error occurs, Contractor must ensure the determination status is set to Error (also known as Status Code “E”).
 - ii. The Date/Time Determination Completed is stamped with System Date/Time.
- t. **Web Service Implementation.** The Contractor’s implementation of the web service to production in the MAGI system must occur after December 12, 2015 as directed by the State. After that time, the Hub Solution will begin sending AT packets to be stored in the MAGI system.
- u. **AT Processing.** Contractor must process approximately 3,061,853 AT packets and store the determination R & O files in the MAGI system. Contractor must deploy code changes in multiple waves to ensure the Medicaid/CHIP determinations are regenerated correctly. Contractor’s tasks must include, but are not limited to:
- i. Deploy production rule base code version and the corresponding façade code version applicable to the timeframe of when the AT packet originated.
 - ii. Process AT packets based on GUID sequence and processing schedule.
 - iii. Validate the generated Result XML to the received Result XML.
 - iv. Repeat above process for all production deployments from inception through June 18, 2014 and the corresponding GUIDs, #1 – #3061853. This includes an estimated daily processing of 35,000 ATs.
- v. **Project Schedules.** Because of other State business needs, efforts to regenerate the currently Destroyed Data must begin on or before March 6, 2016 to ensure Contractor has a 90-day window for processing (also known as the “Go Live” date). State technical experts have estimated that the submission, regeneration, and validation processes will take approximately 2-3 months to complete. The State must approve Contractor’s Project Schedule to ensure it takes into account performance baselines and other dependencies impacting the MAGI system. The following table serves as a high-level summary of the Project Schedule, but is by no means an exhaustive list of the Parties’ respective obligations specified under the Contract and within this SOW.

CGI Date Regeneration Schedule	Start	Finish
WR 2856 - HUB Changes required for processing Rules and Outcome	1/15/2016	2/13/2016
HUB sending required information to MAGI	2/15/2016	3/6/2016

- w. **Weekly Project Status Report.** Contractor must provide the State with a weekly Project Status Report detailing the progress it has made to regenerate the currently Destroyed Data. The Weekly Project Status Report must include:
 - i. **Input/Output Status.** Contractor must report the amount of AT Files from the Destroyed Data it has regenerated (input) and converted to R & O (output).
 - ii. **Remaining Data.** Contractor must report the amount of Destroyed Data AT Files that are pending regeneration (remaining).
 - iii. **Quality Assurance Report.** Contractor's Weekly Project Status Report must contain a summary of each of Contractor's quality assurance reviews during the previous week. Contractor's Quality Assurance Report must measure Contractor's overall quality performance levels, identify any reoccurring quality concerns. It must include whether the Project is projected to be completed on schedule, whether Destroyed Data has been accurately regenerated, and whether regenerated R & O files have been properly stored and archived.

- x. **Input/Output Processing.** Contractor must process regenerated (input) and converted to R & O (output) files as follows:

Validation Process
(CGI is not responsible for tasks marked grey; all tasks presented here to preserve the work flow)
Before MAGI processing (i.e. receiving 3+ million AT packets from HUB):
HUB team will send 300K each working day (Mon-Fri) between 6pm and 6 am from 2/17/16 - 3/9/16.
Triage team will run a report every morning from HUB database for previous night counts (successful/exceptions).
Triage team will pull successful lists of GUIDS from HUB.
CGI will send list of GUIDS to Triage team.
Triage team will compare GUIDS list from HUB and CGI for discrepancies. Discrepancies will trigger the Triage team to open a remedy ticket to work with HUB and CGI teams to identify the root cause and handle accordingly.
CGI will capture by screenshot the number of records received from HUB on each day. Screenshot(s) will be uploaded as a part of the Validation Report and saved to the MCP SharePoint site.
CGI will capture the size of the mount point volume on the database (DB) server each day, confirm no issues and email confirmation to Triage team.
CGI will confirm counts provided by Hub Triage and email confirmation with screenshots to Triage team.
Triage team will update master Remedy ticket with daily status and accumulated total.

CGI will update Validation Report (AT Received) on SharePoint with the accumulated total.
Triage team will update the (AT Received) Report with verification details (leveraging HUB data).
Escalation: If Triage team sees that the accumulated total of exceptions exceeds 300K, Hub Triage will escalate to Technical Owner to initiate a special weekend run.
During MAGI Processing:
RuleBase (includes Façade and Rules Engine versions) Deployment and Processing
CGI will provide for each Rulebase deployment: <ul style="list-style-type: none"> • Version of Rules and Mapper software • Date of deployment • Total GUIDs impacted Above to be included on the Validation Report (AT Reprocessing Report) saved to SharePoint.
CGI will randomly retrieve 10-20 AT packets daily and provide ONLY the screenshot that contains the Rules version and Mapper version matched to the received XML and generated XML on each day for each Rulebase deployment. CGI will update the Validation report with screenshot that show the following: <ul style="list-style-type: none"> • Rules Version • Mapper Version • The differences between the new result XML and existing result XML (this will not have any tag values in it and it will have only the tag names and id's except for the FTI income where the FTI income will be masked out)
Above step may be completed by the Triage team, if so, a result XML will only be kept for 3-4 days, CGI will provide a file with a number of result xml's or Triage team will request from CGI specific GUIDs and validate within 48 hours.
Triage team will validate the 10-20 packets Rules version and Mapper version in the SOM HUB database.
Per daily Rulebase processing, CGI will update report with the following: <ul style="list-style-type: none"> • Date of run, total GUIDS processed, total exception out GUIDs • List of GUIDs that exception out • Screenshot(s) of the number of records processed on each day
After MAGI Processing (Archive and Commvault backup processing)
CGI will provide a daily report of the archive and Commvault activities that includes: <ul style="list-style-type: none"> • Total GUIDS prior to archive • Total GUIDS that went to archive • The archive storage size increase • The archive storage size total (ARCHIVE) To validate no loss of data, the size of the archive is recorded to ensure that the

data increase and/or decrease is in sync when moving data to Commvault.
CGI will provide the total archive size prior to Commvault, total size in archive decrease, total Commvault size, and file name(s) being archived (COMMVault).
Per CGI Archive process, CGI will provide daily: <ul style="list-style-type: none"> • The size of the mount point volume on the database (DB) server • The screenshot of the archived file stored on the file system • Using the pack process, CGI will retrieve 10-20 random GUID's from the archived file and validate them to make sure the GUID contents are still available as expected • The screenshot showing the size of the files in the zip
Per CGI Commvault process: <ul style="list-style-type: none"> • After 200GB of file system usage (which is approx. 50 days of data [i.e. 40K packets per day as per the current statistics]) CGI will create an internal request through the GIS technical hosting center team for a Commvault backup request ticket • After GIS has processed the request ticket, provided confirmation of receipt of data, CGI will delete the archived files from the file system • CGI will create a GIS request ticket to restore random archive files and validate the backup files as available. • Using the pack process, CGI will retrieve 10-20 random GUID's from the restored files and validate them to make sure the GUID contents are still available as expected • CGI will provide screenshot(s) showing the size of the files in the zip
<i>NOTE: As the process matures and confidence is achieved, the number of manual validations per day may decrease from 20 to 10.</i>

- y. **Ensure Full Background Checks.** Contractor must follow the Contract's existing background check processes and ensure background checks are completed on all of Contractor's employees, agents, and subcontractors who have access to State data or information in this matter. See e.g. Contract § 2.091. The term "access" includes backup, storage, and retention services for State data or information.

- z. **Testing Activities.** Contractor must support the State with all testing activities planned to regenerate the Destroyed Data. At the same time, Contractor must provide project level testing and results as standard processes for all MCP releases. Testing includes creation and execution of a DTMB-approved Testing Plan. Testing, at a minimum, must include Unit, Integration, and UAT testing.

- aa. **Quality Control and Validation.** Contractor must ensure that each Contract service and deliverable undergoes a thorough quality assurance review. Contractor's Project Manager is ultimately responsible for the overall quality of all services and deliverables. As a final deliverable at the conclusion of this Project, Contractor must validate all generated Result XMLs with all received Result XMLs. Contractor's final Project Status Report must verify that every Destroyed Data record was reprocessed and archived.

11.4 Per the existing Contract and at no additional cost to the State, Contractor must remedy all of the State's damages arising out of Contractor's actions in regenerating the Destroyed Data.

- 11.5 In regenerating the Destroyed Data, Contractor must not utilize any of the project budget resources or resource hours allocated in Contractor's Statement of Work for ongoing services and deliverables. Contractor must not invoice the State for any activity related to Recreation of the Destroyed Data, including but not limited to planning and requirements, designing and construction, development, testing, and implementation.
- 11.6 Pursuant to the good faith, warranty and information security provisions of the Contract, Contractor must conduct an independent, third-party audit of its systems, procedures, controls, and practices for: (a) data retention, (b) archiving, (c) data privacy, and information security programs. The Audit must be completed within 30 days after the Destroyed Data is fully regenerated. The audit must be performed entirely at Contractor's expense. The auditor must be approved by the State. Contractor must provide the State with a copy of the third party's Audit Report.
- 11.7 On or before May 30, 2016, Contractor must provide the State with a Final Progress Report summarizing all lessons learned as a result of root cause analyses performed internally, by the State, and by the third party auditor. The Final Progress Report must include a description of the processes Contractor has changed to ensure
- 11.8 Contractor must fully remediate any and all audit findings arising out of the above-described Audit at no additional cost to the State. Contractor must develop and fully implement a corrective action plan as soon as reasonably possible, but by no later than May 30, 2016.
- 11.9 Contractor must provide an invoice credit to the State in the amount of \$52,800.00. This amount is based on a completion date of May 30, 2016 and the technical assumptions stated herein in Section 2.1. This amount was calculated based on the services and deliverables from State personnel and other third party vendors to regenerate the Destroyed Data. This compensation does not include the costs of the above-named independent audit or any release of Contractor's legal liability under the existing Contract. The State reserves the right to seek additional compensatory damages as allowed under the law to ensure a just and equitable resolution of this matter.
- 11.10 In the event Contractor cannot regenerate the Destroyed Data, or were to again render any State data set as destroyed, the State will execute all legal options available.

12. GENERAL PROVISIONS

- 12.1 Any terms or concepts in this Statement of Work that are not defined in the Contract are governed by their plain meaning.
- 12.2 The term "Days" means calendar day unless specifically stated otherwise in the Contract.
- 12.3 The term "Subcontractor" means any company or entity Contractor delegates performance of a portion of the services or deliverables to. Subcontractors is broadly defined to include any entity working to forward Contractor's business. The term subcontractors does not include independent contractors engaged by Contractor solely in a staff augmentation role.
- 12.4 The term "Task" means a service and/or deliverable from Contractor.
- 12.5 The State DTMB Program Manager for all matters concerning the execution of the information technology services required by this Statement of Work is:

Kemal Tekinel
Michigan Department of Technology Management and Budget

Agency Services Supporting Michigan Department of Health and Human Services
235 S. Grand Ave., Ste. 3

Lansing, MI 48933

TekinelK@michigan.gov
(517) 241-5779

- 12.6 Contractor must not consider any aspect of this Project to be complete until Contractor has received a written confirmation of satisfactory work from the DTMB Program Manager.
- 12.7 Each party must act reasonably and in good faith in performing duties and obligations under the Contract. Good faith includes, but is not limited to, honesty in fact and the observance of reasonable commercial standards of fair dealing.
- 12.8 This Statement of Work does not constitute a commitment by the State to utilize any additional services from the Contractor after May 30, 2016. Utilization of additional services requires pre-approval of the State's DTMB Program Manager and must follow and established Project Change Request approval process. This Statement of Work, together with the existing Contract, constitutes the Parties' complete and exclusive statement regarding regenerating the Destroyed Data.
- 12.9 The Parties reserve all rights and remedies under the Contract. Apart from the amendments made in this Statement of Work, all Contract terms and conditions must remain in full force and effect.

IN WITNESS WHEREOF, the Parties, intending to be legally bound, have caused their duly authorized officers to execute this Statement of Work Agreement via a contract change notice signature page, which is incorporated herein by reference.

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
 PROCUREMENT

525 W. ALLEGAN STREET
 LANSING, MI 48933

P.O. BOX 30026
 LANSING, MI 48909

CHANGE NOTICE NO. 10
 to
 CONTRACT NO. 071B3200100
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
CGI Technologies and Solutions Inc. 11325 Random Hills Road Fairfax, VA 22030-6051	Richard Crosby	Richard.crosby@cgi.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(618) 719-6714	6778

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Kemal Tekinel	(517) 241-3314	TekinelK@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Simon Baldwin	(517) 284-6997	BaldwinS@michigan.gov

CONTRACT SUMMARY				
DESCRIPTION: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
May 31, 2013	May 30, 2016	(2) 1-Year Options	May 30, 2016	
PAYMENT TERMS		DELIVERY TIMEFRAME		
N/A		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	May 30, 2016
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$22,899,166.59		\$0.00	\$22,899,166.59	
DESCRIPTION: Effective April 18, 2016, the following amendment is hereby incorporated into this Contract per the attached Statement of Work for MAGI Eligibility Rules and Outcome File Storage requirements. All other terms, conditions, specifications, and pricing remain the same per Contractor and Agency agreement and DTMB Procurement approval.				
Approved Ad Board Contract Value: \$23,719,360.00 Remaining Approved AD Board Contract Value: 820,194.41				



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

Project Title: Contract Change Notice 10: MAGI Eligibility Rules and Outcome File Storage	Period of Coverage: 12/12/2015- 05/30/2016
Requesting Department: Department of Health and Human Services (DHHS)	Date: 04/18/2016
DHHS Business Owner: Logan Dreasky	Phone: (517) 241-5414
DTMB Program Manager: Kemal Tekinel	Phone: (517) 241-5779
DTMB Contract Administrator: Simon Baldwin	Phone: (517) 284-6997
Contract No.: 071B3200100	Change Notice No.: 10

This Statement of Work ("Statement of Work" or "SOW") is made a part of Change Notice No. 10 ("Change Notice") to Contract No. 071B3200100 ("Contract") between the State of Michigan ("State" or "SOM") and CGI Technologies and Solutions Inc. ("Contractor" or "CGI") effective as of the date set forth on the signature page of this Statement of Work.

NOW THEREFORE, the Parties agree as follows:

13. OVERVIEW AND DEFINITIONS

13.1 The recitals set forth above are incorporated into this Statement of Work (SOW).

- 13.2 All duties and obligations described herein will become part of existing Contract. All terms, conditions, and specifications contained in the existing Contract must remain in full force and effect. Capitalized terms in this Statement of Work have the meanings ascribed to them in the Contract unless otherwise expressly specified herein.
- 13.3 **“Days”** means calendar day, unless specifically stated otherwise in the Contract.
- 13.4 **“DTMB”** means the State of Michigan Department of Technology, Management and Budget.
- 13.5 **“Good Faith”** means honesty in fact and the observance of reasonable commercial standards of fair dealing.
- 13.6 **“Michigan Department of Community Health”, “Community Health”, and “DCH”** in this SOW and the existing Contract mean the Michigan Department of Health and Human Services. Under the recently effectuated State Executive Order No. 2015–4, the entities formerly known as the separate Michigan Department of Community Health (“MDCH” or “DCH”) and the Michigan Department of Human Services (“MDHS” or “DHS”) have merged to become one department named the Michigan Department of Health and Human Services (“MDHHS” or “DHHS”).
- 13.7 **“Month”** means calendar month, unless specifically stated otherwise in the Contract.
- 13.8 **“Project Management”** means the Contractor’s obligation to facilitate communications between the State’s DTMB Program Manager, Project Manager, and DHHS Business Owner, State personnel, and Contractor personnel.
- 13.9 **“Subcontractor”** means any company or entity Contractor delegates performance of a portion of the services or deliverables to. Subcontractors is broadly defined to include any entity working to forward Contractor’s business. The term subcontractors does not include contractors engaged by Contractor in its data centers or elsewhere solely in a staff augmentation role or on a share services basis.
- 13.10 **“Task”** means a service and/or deliverable from Contractor.
- 13.11 Any terms or concepts in this Statement of Work that are not defined in this Section 1 or the Contract are governed by their plain meaning in consideration of their context.
- 13.12 Contractor has partnered with the State to implement a rules engine to implement the requirements from the Patient Protection and Affordable Care Act (“ACA”) and the Modified Adjusted Gross Income (“MAGI”) standards set by federal and State law.
- 13.13 Contractor is currently storing all Rules and Outcomes (“R & O”) determination files in the primary Phoenix, Arizona and the secondary Philadelphia, Pennsylvania secure data centers. At the State’s request, Contractor provides the State with analyses of R & O determinations from account transfers (ATs). As documented in multiple project Change Controls described in the table below dating back to February 2014, the State evaluated various options for storage and handling of R & O determination data. During this evaluation period, CGI has stored R & O determination data based on assumed requirements and methods.

Change Control Approach

CC633	R & O determination files to be sent via the SOM batch process
CC706	MAGI to remove R & O determination files from transmission to the HUB
CC890	<ol style="list-style-type: none"> 1. R & O determination files to be returned the SOM via NAS device pending establishment of long term approach of SOM enabling an SFTP for MAGI to send R & O determination files to SOM - 2/26/2014 2. CR - The Rules and Outcomes from MAGI need to be sent back to SOM on a regular basis until the long term approach of SFTP from MAGI to SOM is put in place in R4. 03/04/2014 JJB - This item requires the assignment of a DTMB developer 8/20/14 3. Rules and Outcomes information to be retained at CGI; 10/7/14 4. Rules and Outcomes information to be retained at CGI. Per leadership decision the rules and outcomes file will continue to be stored with CGI and will need to be reviewed again after Modernization. Cost was included but not approved; 2014 6k, 2015 12k, 2016 18k. 10/6/14 5. Approved - 2/4/15 6. Implemented 6/20/2015
CC1101	SOM Resource required to support loading R & O determination files from MAGI NAS into the MCP database 4/17/14

14. PROJECT OBJECTIVE AND SCOPE OF WORK

- 14.1 Contractor must store R & O determination files in the primary Phoenix, Arizona and the secondary Philadelphia, Pennsylvania data storage centers.
- 14.2 The purpose of this SOW is to confirm the Parties' existing agreement that the Contractor continue to store R & O determination files and provide analyses or raw data per the Contract and its SUITE documents.

15. CONTRACTOR'S SERVICES AND DELIVERABLES

- 15.1 Contractor's Services and Deliverables under the Contract must include the following activities:
- 3) **Storage Location.** Contractor must store all MAGI R & O determination files in one primary and one secondary data storage center in accordance with the Contract. In the event that Contractor decides to relocate its primary and secondary data storage center from, respectively, Phoenix, Arizona and Philadelphia, Pennsylvania It will provide the State with advance written notice of the relocation specifying the new locations of each.
 - 4) **Retrieval.** Contractor must retrieve relevant MAGI R & O determination files for specific GUIDS (Globally Unique Identifiers) and provide analysis of the determination consistent with the assumption set forth in Section 4.2 of this SOW. Requests for additional retrievals and analysis that materially exceed the level of effort reflected in Section 4.2 will be addressed through a Change Request pursuant to Section 2.024 of the Contract..
 - a) **Requesting Personnel.** Contractor will store the R & O determination files and provide analysis or files to the State upon the State's written request. Contractor Project Manager will receive requests for information from resources as delegated by the DHHS Business Owner, the DTMB Program Manager, or the following:
 - i. Eligibility Program Manager;

- ii. DTMB Program Manager;
- iii. DHHS Business Owner;
- iv. Eligibility Project Manager;
- v. Eligibility Minor Release/M&O Project Manager; and
- vi. DTMB Eligibility Technical owner.

- b) **Response Times.** Contractor will address State requests submitted after regular business hours the following business day. Contractor must process State Requests for analysis of a single GUID within 24 hours. Requests for analysis of multiple GUIDs will be processed within a timeframe mutually agreed to by the Contractor and the DTMB Program Manager.
 - c) **Summary Format.** Contractor must continue to provide the State with R & O analyses in summary form. Contractor must ensure that all confidential and/or Protected Health Information (PHI) data is scrubbed from the summary.
 - d) **Requests for Raw Data.** Contractor must provide raw, unaltered R & O determination files to the State upon the written request of the DTMB Program Manager. In the event the State requests that Contractor send R & O determination files to the State directly, the Contractor will provide per the DTMB IT Technical Policies, Standards, and Procedures for secure email containing confidential and/or PHI data.
- 5) **Storage Retention.** Contractor must maintain each R & O determination file for a minimum of seven years from the date it was first received by the MAGI Rules engine.
- 6) **Validation.** Contractor will provide a monthly report of validation results of stored data to verify a representative sample of data can be successfully retrieved. The validation document created for CC2041 Data Regeneration will be used for validation.
- 7) **Regeneration.** Contractor will regenerate R & O determination files that become unavailable by any means following the process identified within CC2041 Data Regeneration or otherwise mutually agreed to in writing.

15.2 **Monthly Progress Report.** A monthly Progress Report specific to Data Storage must be included with the weekly MAGI Status Report submitted to the Eligibility Project Manager throughout the Project term.

- 4) **Monthly Report Details.** Each monthly report must contain the following information:
- a) **Accomplishments.** Contractor must state the tasks completed during the current month's reporting period.
 - b) **Validation information.** Contractor's monthly report must contain a summary that includes the number of R & O determination files that have received during the reporting period, that these have been properly stored/archived (reported as total storage volume) and the date ranges for all newly stored files and the range of GUID #'s.
 - c) **Projected Accomplishments.** Contractor must describe the activities projected to be accomplished during the next month's reporting period.
 - d) **Quality Assurance.** Contractor must summarize each of Contractor's quality assurance reviews during the previous month. Quality Assurance must measure Contractor's overall quality performance levels and identify any reoccurring quality concerns. It must include whether Data has been accurately stored, whether R & O files are properly stored and archived and are available. Contractor's Project

Manager is ultimately responsible for the overall quality of all services and deliverables.

- e) **Issues.** Contractor must describe any issues, risks, changes, real or perceived, and recommend resolutions.

16. TECHNICAL ASSUMPTIONS

- 16.1 The total number of R & O determinations is approximately 2.2 million per quarter.
- 16.2 R & O determination files are not regularly requested; to date, there has been one request to support a quarterly CMS audit (CGI provided summary analysis). If more frequent or higher volume requests are anticipated, the State will work with Contractor to execute a Change Request pursuant to Section 2.024 of the Contract.
- 16.3 There are no High Availability requirements for the R & O determination files to be available in real-time.

17. PAYMENT SCHEDULE AND PRICING

- 17.1 The cost of Contractor's R & O storage is built into the already agreed-upon pricing. Therefore, this SOW will be executed at no additional cost to the State.
- 17.2 This SOW does not constitute any commitment from the State to utilize additional Contractor services.
- 17.3 Any and all additional work effort or services not included in this SOW must be pre-approved by the State DTMB Program Manager and follow the State's established Project Change Request approval processes.

18. GENERAL PROVISIONS

- 18.1 **DHHS Business Owner.** The State DHHS Business Owner for all matters concerning the execution of the business requirements as services required by this Statement of Work is:
Logan Dreasky
Michigan Department of Health and Human Services

400 S. Pine St.

Lansing, MI 48933

DreaskyL@michigan.gov
(517) 241-5414
- 18.2 **DTMB Program Manager.** The State DTMB Program Manager for all matters concerning the execution of the information technology services required by this Statement of Work is:
Kemal Tekinel
Michigan Department of Technology Management and Budget

Agency Services Supporting Michigan Department of Health and Human Services
235 S. Grand Ave., Ste. 3

Lansing, MI 48933

TekinelK@michigan.gov

(517) 241-5779

- 18.3 **Good Faith.** Pursuant to existing Contract Section 2.028, each party must act reasonably and in good faith in performing duties and obligations under the Contract.
- 18.4 **Satisfaction.** Contractor must not consider any aspect of this Project to be complete until Contractor has received a written confirmation of satisfactory work from the DTMB Program Manager in accordance with the terms and conditions of the Contract.
- 18.5 **No Commitment for Additional Services.** This Statement of Work does not constitute a commitment by the State to utilize any additional services. Utilization of additional services funds requires pre-approval of the DTMB Program Manager and must follow the established Project Change Request approval process. Hours listed above for onsite and remote by resources may be adjusted by written approval of the State DTMB Program Manager.
- 18.6 **Compliance with State and Federal Law, Administrative Regulations, Guidelines, and Recommendations.** Contractor must ensure the system complies with all applicable Federal and State law, administrative regulations, guidelines, and recommended policies. These include, but are not limited to, the above as released from the Centers for Medicare and Medicaid Services (CMS), Internal Revenue Service (IRS), the National Institute of Standards and Technology (NIST), U.S. Office of Management and Budget (OMB), National Institutes of Health (NIH), and the Office for Civil Rights ("OCR").
- 18.7 **Web or Hyperlinks.** In the event Contractor is unable to access or view any of the web links (also known as hyperlinks) contained within this Agreement, Contractor must promptly notify the DTMB Program Manager in writing. The DTMB Program Manager must provide the necessary information. An inaccessible or non-working web link will not excuse the Contractor of its duties and obligations under this Agreement provided that the necessary information has been otherwise provided in accordance with the Contract. Contractor is responsible for ensuring its personnel and/or subcontractors have reviewed all State and DTMB policies under this Agreement after corrected information is provided to the Contractor.
- 18.8 **Entire Agreement.** This Statement of Work, together with the existing Contract, constitutes the Parties' complete and exclusive statement regarding work requirements and procedures. Apart from the amendments made in this Statement of Work, all Contract terms and conditions must remain in full force and effect.

IN WITNESS WHEREOF, the Parties, intending to be legally bound, have caused their duly authorized officers to execute this Agreement via a contract change notice signature page, which is incorporated herein by reference.

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
 PROCUREMENT

525 W. ALLEGAN STREET
 LANSING, MI 48933

P.O. BOX 30026
 LANSING, MI 48909

CHANGE NOTICE NO. 9
 to
 CONTRACT NO. 071B3200100
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
CGI Technologies and Solutions Inc. 11325 Random Hills Road Fairfax, VA 22030-6051	Richard Crosby	Richard.crosby@cgi.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(618) 719-6714	6778

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Kemal Tekinel	(517) 241-3314	Tekinelk@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Simon Baldwin	(517) 284-6997	Baldwins@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
May 31, 2013	May 30, 2016	(2) 1-Year Options	May 30, 2016
PAYMENT TERMS		DELIVERY TIMEFRAME	
N/A		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	May 30, 2016
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$22,779,166.59		\$120,000.00	\$22,899,166.59	

DESCRIPTION: Effective December 22, 2015, \$120,000.00 is hereby added to this Contract per the attached Statement of work. Please note, the Contract Administrator has been changed to Simon Baldwin and the Program Manager has been changed to Kemal Tekinel. Also please note, the Current Value above has been increased \$1.00 to correct a mistake in Change Notice 8. All other terms, conditions, specifications, and pricing remain the same per Contractor and Agency agreement and DTMB Procurement approval.

Approved Ad Board Contract Value: \$23,719,360.00
 Remaining Approved AD Board Contract Value: 820,194.41

Project Title: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service	Period of Coverage: 01/04/16-04/30/16
Requesting Department: Department of Community Health	Date: 12/14/15
Agency Project Manager: Logan Dreasky	Phone: 517-373-3609
DTMB Project Manager: Kemal Tekinel	Phone: 517-241-3314
Contract Information: CGI Technologies and Solutions Inc. 071B3200100	Change Requests:

Brief Description of Services to be provided:

Contractor to create Safeguards Security Report (SSR) based on IRS SSR template

BACKGROUND:

The State of Michigan (hereinafter referred to as "State") is under Contract with CGI Technologies and Solutions, Inc. (hereinafter referred to as "Contractor") to implement a rules engine utilizing rules from the Patient Protection and Affordable Care Act (PPACA or ACA) under the modified adjusted gross income (MAGI). The MAGI Eligibility Determination Service determines eligibility for applicants based on rules and warehouses data. As required under the Contract, the business and technical scope was identified with the responding Contractor approach and subsequent Change Notices incorporated into the Contract.

Effective in 2014, the Internal Revenue Service (IRS) Office of Safeguards implemented the SSR as the primary source for agencies to report to IRS on the processes, procedures, and security controls in place to protect Federal Tax Information (FTI) provided in accordance with Internal Revenue Code (IRC 6103(p)(4)). The SSR is replacing the Safeguard Procedures Report and Safeguard Activity Report currently used by agencies to report to IRS. Agencies executing data exchange agreements involving access to FTI and subject to safeguarding requirements must have an approved SSR prior to having access to FTI.

Using the MAGI Eligibility Determination Service, the State has Federal Tax Information (FTI) stored in the Contractor's hosted data centers. IRS Publication 1075, section 7, outlines SSR Reporting Requirements. The State requirement requires the current state of system security involving FTI to be included in the State's Safeguards Security Report (SSR) to the IRS. Due to the sensitive nature of the data included in the State's SSR, the State cannot provide the Contractor a copy of the State's full SSR submitted to the IRS in June of 2015.

PROJECT OBJECTIVE:

Contractor will review every control included on the IRS SSR template and provide the State with responses for each control included on the IRS SSR template. This information will be used to update the State's SSR and submit the completed report to the Internal Revenue Service (IRS).

SCOPE OF WORK:

1. Contractor must use the IRS SSR template provided by the Medicaid Compliance Program Security Team and complete the following:
 - a) Enter response for each control listed in the IRS SSR Template. Controls that do not apply to MAGI require an explanation detailing why they do not apply

- b) List any compensating controls where a control is not fully met
- c) Review all controls for accuracy prior to submitting controls report to the State

2. MAGI control report must be submitted to the State no later than April 4, 2016

TASKS:

CGI will coordinate with the State on the necessary tasks to complete the scope of work. Including, but not limited to:

- Planning and Preparation
- Documentation
- Submission
- Resolution of questions

Contractor and State will comply with the Contractor Approach as outlined in the corresponding section of the Contract under 1.104(I) Work and Deliverables.

PROJECT SCHEDULE:

Milestone	Time Frame	Projected Hours
Planning and Preparation	01/04/2016 - 01/13/2016	80
Documentation	01/11/2016 - 03/25/2016	440
By Control Family:		
AC, AT, AU, CA, CM, CP	1/25/2016	
IA, IR, MA, MP, PE, PL	2/25/2016	
PS, RA, SA, SC, SI	3/25/2016	
Submission (SOM Review and Submit)	03/18/2016 - 03/25/2016	40
Resolution of Questions	03/28/2016 - 04/04/2016	40
Total		600

DELIVERABLES:

CGI is responsible for completing the IRS SSR Template in the manner described in Section 1 of the Scope of Work of this Contract Change Request as the sole Deliverable (“Deliverable”) provided under this Contract Change Request.

The Deliverables will not be considered complete until the Agency Project Manager has formally accepted it. The final Deliverables for this project will be delivered to the State on or before March 4, 2016 as a Written Deliverable.

ACCEPTANCE CRITERIA:

Written Deliverable acceptance is governed by the Contract Sections 1.501 and 2.250.

PROJECT CONTROL AND REPORTS:

Contractor will submit progress reports as described in the in the Contract.

SPECIFIC DEPARTMENT STANDARDS:

None.

PAYMENT SCHEDULE:

Payment	Deliverable	Amount
1	Completed IRS Safeguards Security Report Template	\$120,000.00

Role	Hours	Hourly Rate	Total
Security Specialist	600	\$200.00	\$120,000.00

Payment will be made in one fixed firm payment in the amount of \$120,000.00 upon satisfactory acceptance of the completed IRS Safeguards Security Report Template.

DTMB will pay CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order upon Acceptance of the Deliverable. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense.

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

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Logan Dreasky
Michigan Department of Health and Human Services
State Administrative Manager
Capital Commons Center
400 S. Pine St
Lansing, MI 48933
(517) 241-5414
dreaskyl@michigan.gov

The designated DTMB Project Manager is:

Kemal Tekinel
Michigan Department of Technology, Management and Budget
State Division Administrator
Romney Building
111 S. Capitol Ave
Lansing, MI 48933
(517) 241-3314
TekinelK@michigan.gov

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Contract governs Work Location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

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

No overtime will be permitted.

This purchase order is a release from Contract Number 071B3200100. This purchase order, statement of work, and the terms and conditions of Contract Number 071B3200100 constitute the entire agreement between the State and the Contractor

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

CHANGE NOTICE NO. 8
 to
CONTRACT NO. 071B3200100
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
CGI Technologies and Solutions Inc. 11325 Random Hills Road Fairfax, VA 22030-6051	Richard Crosby	Richard.crosby@cgi.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(618) 719-6714	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Kimberly Koppsch Woods	(517) 284-7156	Koppsch-woodsK@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	David Hatch	(517) 284-7044	hatchD@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
5/31/2013	5/30/2016	2 One-Year	5/30/2016
PAYMENT TERMS		DELIVERY TIMEFRAME	
N/A		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	5/30/2016
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$19,668,238.59		\$3,110,928.00	\$22,779,165.59	

DESCRIPTION:
 Effective 9/30/2015 this contract is amended to:
 (1) Incorporate SOW MAGI CGI R6 v3, SOW MAGI CGI R6c v3, SOW MAGI CGI R7 (all 3 attached) per terms within the SOW MAGI CGI FY15 v2 incorporated within CCN#7.

 (2) Incorporate SOW MAGI CGI FY16 (attached) and a total amount of \$3,110,928.00 so that the State can continue on utilizing the Contractor for ongoing maintenance and enhancement of the rules engine application and project management for duration of eight (8) months (October 1, 2015 – May 30, 2016). The State had intended to transition the maintenance and enhancements to the rules engine application, but is not ready to do so. The State will notify the Contractor in writing of the

State's intent to assume maintenance and enhancements of the rules engine application or rulebase.

Payment will be made on a firm fixed cost basis, billed monthly at \$388,866.00. At the sole discretion of the State, the State may withhold up to 20 percent from each monthly payment until final acceptance by the State of the Monthly Expected Deliverables.

(3) Replace the existing MAGI Eligibility Service Technical Lead Key Personnel resource, Rodrigo Martinez-Maldonado, with Ed Petrick (see attached agreement).

(4) Document that Software detailed in the Primary contract, Table 3 was determined not to be required for MAGI performance testing. \$56,820 allocated to Load Testing software (ALM Complete, Load Complete/Design, and Load Complete/Controller) remain on the Contract for future work.

Per vendor and agency agreement and DTMB Procurement approval and the approval of the State Administration Board on September 11, 2014. All other terms, conditions, specifications and pricing remain unchanged.

Approved AD Board Contract Value: \$23,719,360.00

Remaining Approved AD Board Contract Value: \$940,194.41



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

Project Title: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service	Period of Coverage: 10/01/15 – 05/30/16
Requesting Department: Department of Health and Human Services (MDHHS)	Date: September 25, 2015
Agency Project Manager: Logan Dreasky	Phone: (517) 241-5414
DTMB Project Manager: Kimberly Koppsch-Woods	Phone: (517) 284-7156
Contract Information: Contractor: CGI Technologies and Solutions Inc. ("CGI or "Contractor") Contract #071B3200100	Change Requests: N/A

Brief Description of Services to be provided:

Continue Contractor services for Rules engine system development lifecycle (SDLC), rule engine application maintenance and impact analysis required for the Medicaid Compliance Program (MCP) in support of Modified Adjusted Gross Income (MAGI) Eligibility Determination Service.

BACKGROUND:

The State of Michigan (hereinafter referred to as "State" or "SOM") is under Contract with CGI Technologies and Solutions, Inc. (hereinafter referred to as "Contractor" or "Vendor") to implement a rules engine utilizing rules from the Patient Protection and Affordable Care Act (PPACA or ACA) under the modified adjusted gross income (MAGI). As required under the Contract, the business and technical scope was identified with the responding Contractor approach and subsequent Change Notices incorporated into the Contract.

PROJECT OBJECTIVE:

The purpose of Medicaid Compliance Program (MCP) is to support the State as specified in the Contract between the parties and this Statement of Work in implementing and enhancing functionality as identified in the Medicaid Compliance Program objectives for the timeframe from October 1, 2015, through May 30, 2016.

The State had intended to transition the maintenance and enhancements to the rules engine application, but is not ready to do so. The State intends to continue utilizing the Contractor for information technology services ("IT Services") for ongoing maintenance, enhancement of the rules engine application, and project management as provided in the Contract and this Statement of Work. The State will notify the Contractor in writing of the State's intent to assume maintenance and enhancements of the rules engine application or rule base. The Contractor will provide training and knowledge transfer/transition as described in Sections 1.104(H) and (L) of the Contract.

SCOPE OF WORK:

This Statement of Work consists of the below scope. Further details and specifications are listed in this Statement of Work section titled "Work and Deliverables".

1. Rules engine rule application Maintenance and Operations relating to MCP, hereinafter referred to as "Rules engine M&O, exclusive of Section 1.104(I)(J) Operations and Section 1.104(I)(K) Maintenance and Support scope of the Contract
2. Project management related to MCP
3. Preliminary Analysis (a.k.a. Impact Analysis)
4. Rules Engine Enhancements - System Development Lifecycle Services (SDLC)

The services and deliverables specified in this Statement of Work will be performed by 9.5 full-time equivalent resources to be provided by CGI as specified below

- Project Manager: 1.25
- System Analyst: 1.75
- OPA Specialist: 2.00
- QA Manager: 1.00
- Senior Consultant: 0.50
- Technical Lead: 1.00
- Tester: 2.00

In the event that accomplishment of the scope of work requires additional FTEs or a reallocation of FTEs among the specified categories, the parties will manage the required change through the established change control process.

TASKS:

CGI will coordinate with the State on the necessary tasks to complete the scope of work. At a minimum, CGI and State will comply with the Contractor Approach as outlined in the correspondence section of the Contract under 1.104(I) Work and Deliverables.

WORK AND DELIVERABLES:

Overview:

1. This Statement of Work covers the term October 1, 2015, through May 30, 2016.
2. The State will classify whether services are considered an Enhancement (e.g. a minor release, release independent activity part of a major release, or other activity) Maintenance and Operation (M&O), or Defect resolution.
3. Contractor and SOM will adhere to a mutually agreed upon documented schedule.
4. Contractor will support production rules engine application maintenance and operations requests.
5. Contractor will provide system development lifecycle support of rules engine application enhancements.
6. The State reserves the right to modify the projects, change controls and defects identified for work. Changes will be managed through the established change control process.
7. Payment will be made on a firm fixed cost basis, billed monthly at \$388,866.00. At the sole discretion of the State, the State may withhold up to 20 percent from each monthly payment until final acceptance by the State of the Monthly Expected Deliverables.

Services and Deliverables to Be Provided:

A. Rules Engine Application Maintenance and Operations (Rules engine M&O)

1. **Services:** The Contractor shall provide for concurrent maintenance, support and additional development as outlined below.
 - a. All Maintenance and Operation services are to be performed by qualified personnel trained in the rules engine software, Federal specific rules, and Michigan specific rules.

- b. The Contractor will provide the State of Michigan a toll-free number that will be answered by a live agent 24x7x365. This agent will triage the nature of the call and will contact the appropriate technical or management resource in accordance with the contractual SLAs.
 - c. Maintenance service options are provided including 24 x 7 x 365 service, onsite service, 2- (emergency), 4-, and 8-hour and next day response times.
 - d. Calls for service will be returned within 2 hours.
 - e. Emergency assistance is available 24 hours a day, seven days a week, at no additional cost to the State.
 - f. The following services are provided for the current version and one previous version of any Software provided with the deliverables, commencing upon installation of the deliverables or delivery of the Software:
 - i. **Error Correction.** Upon notice by State of a problem with the Software (which problem can be verified), reasonable efforts to correct or provide a working solution for the problem.
 - ii. **Material Defects.** The State will be notified of any material errors or defects in the deliverables known, or made known to Vendor from any source, or in the case of the OPA application, made known to vendor by product manufacturer, during the Contract term that could cause the production of inaccurate, or otherwise materially incorrect, results and shall initiate actions as may be commercially necessary or proper to effect corrections of any such errors or defects.
 - iii. **Updates.** All new releases and bug fixes (collectively referred to as "Changes") for any software deliverable developed or published by Vendor, or in the case of the OPA application, made available by the manufacturer as part of its standard maintenance program, and made generally available to its other customers at no additional charge will be provided to the State at no additional charge.
2. **Deliverables:** The Contractor will perform Rules engine M&O activities as outlined above and provide deliverables as documented in the Contract section 1.104 Work and Deliverable Maintenance and Support (I) (K) in support of the services outlined in this section.

B. Project Management:

The Contractor will perform project management activities and provide deliverables as outlined in the Contract section 1.300 Project Plan and 1.400 Project Management in support of the services outlined in this section.

C. Preliminary Analysis (a.k.a. Impact Analysis)

1. **Services:** The Contractor will perform preliminary analysis/impact analysis as requested and prioritized by the State. Impact Analysis for identified production defects shall be conducted at no additional cost to the State, and will be addressed by CGI using the existing, planned team resources. The Contractor will communicate to the DTMB Project Manager any concerns about these activities impacting established timelines. If necessary to protect established timelines, the State will determine and communicate work priority to the Contractor.
2. **Deliverables:** Impact Analysis results/response shall be provided consistent with a 48-hour objective for items deemed high priority and where practical. The Contractor will perform preliminary analysis/impact analysis as requested and prioritized by the State. The Contractor will provide a written impact statement to the State, propose alternative solutions and describe impacts to costs, schedule, resources and other Medicaid system components for proposed work, as well as impact to work in progress. Impact analysis will primarily be conducted for proposed changes, new/altered business requirements, new projects and defects. For the purpose of this SOW, vendor is required to document

in any Impact Analysis delivered, additional impact to any system components including hardware, software, interfaces, services, data, and databases.

D. Rules Engine Application Enhancements/SDLC

1. Rules engine application enhancements include any modification to the rules, including but not limited to rule development, enhancements and modifications (“rules engine enhancements”) as part of any release activity (“releases”) identified by the State (e.g. minor release, release independent system modifications, major release). Rules engine enhancements shall proceed through the SUITE methodology and shall all include all phases of system development lifecycle as outlined in Section 1.104(I) of the Contract.

a. Services:

- i. The Contractor will provide system development lifecycle services and follow the State and Contractor Roles and Contractor Approach as outlined in the appropriate section of Contract Section 1.104(I). The system development lifecycle services stages include:
 1. Initiation and Planning Activities (e.g. Project Charter, Project Plan, documenting risks, assumptions, critical success factors, resource needs, quality expectations, communication expectations).
 2. Detailed Business and Technical Requirements
 3. Application Design
 4. Application Development
 5. Testing
 6. Implementation
 7. Documentation
 8. Training and Knowledge Transfer
- ii. All rules engine enhancements will be identified through an approved Project Charter or through the established project Change Request Process.
- iii. All security patches and system and software configuration changes must be tested before deployment.
- iv. There must be separate development, test and production environments.

b. Deliverables:

- i. The Contractor will provide the Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in the Contract Section 1.104(I) for the appropriate stage of activities. Where appropriate, existing project deliverables will be updated to incorporate enhancements. Any SUITE template or deliverable waivers must be agreed upon with the DTMB Project Manager listed within this Statement of Work.
- ii. For major releases, a more detailed scope of work, services and deliverables will be identified by the State and agreed to with the Contractor through the creation of a Release Plan. A Release Plan is intended to ensure Contractor and State agreement to specifically identified deliverables and the major release project plan.

E. Additional Deliverables:

1. The Contractor will update the resources assigned to the project by roles, names and location as identified in the Contract by Attachment D – Contract Pricing, Table 4, and Other Optional Costs as changes occur.

2. The Contractor will provide the State with the approximate number of resource hours available for enhancements on a monthly basis, or as requested by the State.
3. Deliverables due each month are determined based upon the mutually agreed upon documented schedule and the milestones within that schedule. By the fifth day of each month, the State Project Manager will document and provide to the CGI Project Manager the expected final deliverables for that month ("Monthly Expected Deliverables"). The Monthly Expected Deliverables will be updated by the State Project Manager during the month as work activities are identified, adjusted or removed.
4. Once a month, the Contractor will identify the percentage of costs attributable to the State identified categories of Rule engine Enhancement, Rule engine M&O, or Defect resolution with the monthly invoice (based upon the release number if applicable).

ROLES AND RESPONSIBILITIES:

The Contractor will adhere to the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(l) for the applicable activity. Additionally, the Contractor is responsible for managing resources to ensure resources are 100% allocated to State requested and authorized work activities. The Contractor is responsible to notify the State of any projected or realized availability in Contractor resource capacity.

ASSUMPTIONS:

1. The scope inclusion in each release shall be defined by the Medicaid Compliance Program level scope and requirements, further delineated during project requirements sessions.
2. There is a need to continue support of production deployments concurrently with other services provided as part of this Statement of Work.
3. Resources assigned are available for all SDLC and Maintenance and Operations activities as prioritized by the SOM.
4. If the scope of work requested of CGI by SOM necessitates an increase in staffing to accommodate, CGI will recommend staffing changes, including associated pricing adjustments, CGI and SOM will follow the established change control process in order to mutually agree to an SOW amendment.

ACCEPTANCE CRITERIA:

Deliverable acceptance is governed by the Contract Sections 1.501 and 2.250.

PROJECT CONTROL AND REPORTS:

Contractor will submit progress reports as described in the in the Contract.

SPECIFIC DEPARTMENT STANDARDS:

None.

PAYMENT SCHEDULE:

Payment will be made on a firm fixed cost basis, billed monthly for eight months at \$388,866.00 for a total SOW value of \$3,110,928. At the sole discretion of the State, the State may withhold up to 20 percent from each monthly payment until final acceptance by the State of the Monthly Expected Deliverables.

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

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

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Logan Dreasky
Michigan Department of Community Health
(517) 241-5414
dreaskyl@michigan.gov

The designated DTMB Project Manager is:

Kimberly Koppsch Woods
Michigan Department of Technology, Management and Budget
Customer Service supporting Department of Community Health, Medicaid Compliance Program
(517) 284-7156
koppsch-woodsk@michigan.gov

AGENCY RESPONSIBILITIES:

Provide detailed requirements and respond promptly to follow up questions.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

The Contract governs Work Location in section 1.201(B) (1) Location of Work. Modifications to Work Locations must be approved by the State and may be planned for both onsite and offsite as appropriate to successfully provide the services and deliverables defined in this Statement of Work.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

The Contract governs Work Hours and Conditions in section 1.201(B)(2) Hours of Operations unless specifically stated otherwise in this Statement of Work. (Vendor support service is expected as described above in Section A(1) Rules Engine Maintenance and Operations.)

AGREEMENT:

Processing through and acceptance by the Department of Community Health and Department of Technology, Management & Budget, Purchasing Office, may be required to finalize this Statement of Work and amend the Contract prior to issuance of a purchase order.

A purchase order release from Contract Number 071B3200100 will be issued by DTMB Financial Services. The purchase order, statement of work, and the terms and conditions of Contract Number 071B3200100 constitute the entire agreement between the State and the Contractor.

Filename: SOW MAGI CGI FY16



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

**for
Modified Adjusted Gross Income (MAGI) Eligibility Determination Service
STATEMENT OF WORK**

Project Title: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service	Period of Coverage: July 1, 2015 – September 30, 2015
Requesting Agency: Department of Health and Human Services (MDHHS)	Date: July 1, 2015
Agency Project Manager: Logan Dreasky	Phone: (517) 241-5414
DTMB Project Manager: Kimberly Koppsch-Woods	Phone: (517) 284-7156
Contract Information: CGI Technologies and Solutions, Inc. Contract #071B3200100	Change Request (CR) #:
Attachments: MCP Release 7 MAGI Project Charter	

BRIEF DESCRIPTION OF SERVICES TO BE PROVIDED:

Identification of scope in relation to the MAGI Rules Engine required for the Medicaid Compliance Program (MCP) development services in support of Release 7 (R7). The purpose of Release 7 is to implement functionality to production which was not included in previous releases, R1-R6c. Release 7 focuses on top priority ranked change controls and time sensitive functionality items. As part of the Medicaid Compliance Program (MCP), the purpose of this project is to support the State of Michigan in complying with the program goals for Release 7. This Statement of Work (SOW) is subject to the terms and conditions of Contract 071B3200100 (“Contract”).

BACKGROUND:

The State of Michigan (hereinafter referred to as “State” or “SOM”) is under contract with CGI Technologies and Solutions, Inc (hereinafter referred to as “Contractor”) to implement a MAGI Rules Engine utilizing rules from the Patient Protection and Affordable Care Act (PPACA or ACA) under the modified adjusted gross income (MAGI). As required under the Contract, the business and technical scope was identified with the responding Contractor approach. Scope was defined through October 1, 2013. Further IT services scope has been identified through September 30, 2015, and is included herein.

PROJECT OBJECTIVE:

Contract Change Notice #7 established high level work and deliverables and a payment schedule for FY15. As part of that change notice, as major releases are determined, creation of more detailed Statements of Work (SOW) is required to outline specific expectations for major releases. This SOW includes the detailed work and deliverables as part of the Medicaid Compliance Program Release 6c (also referred to as R6c). There is no additional cost for the work outlined within this SOW. All costs were established as part of Contract Change Notice #7.

The objective of Release 7 is as follows:

- Calculation to determine Freedom to Work (FTW) premiums
- Capability to end Presumptive Eligibility (PE) mid-month
- MAGI denial reasons available in Bridges
- Enhancements to Medicaid Management Information System (MMIS) file for Native American Information
- New interface with Internal Revenue Service (IRS) for reporting
- Technical enhancements for Hub and MAGI

SCOPE OF WORK:

Release 7 focuses on those top priority-ranked change controls associated with above objectives; these are classified as Core Scope Items. R7 also focuses on non-core technical scope items that are primarily MAGI-only effort, and will be done in parallel to the Core Scope Items with core items taking precedent.

Based on program requirements and JAD sessions, the following table outlines the high-level scope items to be addressed by the MAGI Rules Engine in Release 7 of the MCP System as provided by MDHHS and identified in the MCP leadership prioritization document:

Change Control	A. Core R7 Scope Items
1. Core R7 Scope items for Full Software Development Lifecycle (SDLC) services and deliverables:	
1833	Freedom to Work Premium Calculations
1160	Provide Bridges with MAGI denial reasons
2. Core R7 Scope items expecting Testing and Implementation Support only:	
1099	Send additional Native American information via MMIS from Bridges to CHAMPS
1197	Mid-Month PE
2023	Interface with the IRS to send 1095 forms

Change Control	B. Non-Core R7 Scope Items
1. Non-Core R7 Scope items for Full Software Development Lifecycle (SDLC) services and deliverables:	
1958	MAGI Update list of alien status document types for MAGI determinations
966	MAGI MiChild renewal denials due to existing CHIP
2033	MAGI requires upgrade for MySQL drivers and MySQL Database to the most current versions
2. Non-Core R6c Scope items expecting Testing and Implementation Support only:	
998	HUB need to verify SSN with SSA before performing income verification with IRS
1148	HUB Defect – Long term fix for invalid hexadecimal characters in HUB

964	HUB Audit logging – long term capabilities
1563	HUB Perform XSD validation from FFM packets before sending to MAGI during processing
2014	HUB Remediation of issues identified for cc1855 findings

TASKS:

The Contractor will coordinate with the State on the necessary tasks to complete the scope of work. At a minimum, Contractor and State will comply with the Contractor Approach as outlined in the corresponding section of the Contract under 1.104(I) Work and Deliverables and as listed below in this Statement of Work under “Work and Deliverables”.

Tasks specific to Release 7 are detailed in attached Project Charter (PMM-002).

WORK AND DELIVERABLES:

Solution Overview

1. This Statement of Work is an amendment to the SOW MAGI CGI FY15 to define specifics of R7 as required in SOW section D (b) (ii).
2. The solution referred to as “Release 7” or “R7” must be installed as defined within the R7 MAGI Rules Engine Final Project Charter.
3. Contractor and State will adhere to the mutually agreed upon schedule.
4. Contractor will support testing, including user acceptance testing of integrated components, performance testing, project level and program level testing. Contractor and State will work together to determine onsite testing support requirements in advance to allow for resource planning.
 - a. Perform integration testing with other systems impacted with R7 changes.
 - b. Perform regression testing along with up-to-date production fixes and R7 release code base.
 - c. Provide project and program support for testing and implementation.
5. Contractor will support all “WAR” room activities.
 - a. Contractor and State will work together to define the needs which may include onsite/offsite support for go-live/post-go live activities.
6. The State reserves the right to modify the projects, change controls and defects identified for work. Changes will be managed through the established change control process.

A. Services and Deliverables to be Provided for Release 7 (R7)

1. Services:

Contractor will provide SDLC services, following the approach outlined in Section 1.100 of the primary contract. Contractor will leverage the State’s SUITE methodology to document adherence to the established approach.

2. Deliverables:

The table below outlines the project activities and deliverables for MAGI Rules Engine Release 7:

Item	Project Activities and Deliverables
1	Contractor will provide Project Management Activities (per methodology outlined in Contract Section 1.100)
2	Contractor will develop and deliver Requirements and Design Document for each of the Scope Items listed above.
3	Contractor will develop and deliver a SEM-604 System Design Document, based on

Item	Project Activities and Deliverables
	the state SUITE methodology, for each of the Scope Items listed above.
4	Development and Unit Testing (per methodology outlined in Contract Section 1.100)
5	Contractor will deliver a SEM-0401 Requirements Traceability Matrix Document, based on the state SUITE methodology, for each of the Scope Items listed above.
6	Test Plan, Test Scenario Analysis and Definition (per methodology outlined in Contract Section 1.100)
7	Test Execution (per methodology outlined in Contract Section 1.100)
8	Implementation Planning and Execution (per methodology outlined in Contract Section 1.100)

ASSUMPTIONS:

8. No additional scope items will be added without following MCP change control approval process utilizing the MCP Governance model.
9. Any non-core scope items that need to be removed from R7 due to external dependencies and/or constraints will follow MCP change control process.
10. Any program functional/system design that changes the project design already approved will require a new change control.
11. FFM AT version will not change for this release and remain at State's current utilized version.
12. System dependencies will be defined, validated, and accommodated to enable Release 7 functionality.
13. Project level testing, including integration between systems and UAT should occur before program level end-to-end and regression testing.
14. All policy related to the scope of the release will be finalized in the Initiation and Planning phase of the release.
15. Each project and system will adhere to the MCP Program Security Requirements.

DELIVERABLES:

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them.

ACCEPTANCE CRITERIA:

Acceptance criteria shall be governed by the Contract.

PROJECT CONTROL AND REPORTS:

Contractor will submit progress reports as described in the in the contract.

SPECIFIC AGENCY STANDARDS:

None identified.

PAYMENT SCHEDULE:

Approximate Vendor effort is 3,450 ROM hours with costs included and governed by the SOW MAGI CGI FY15 monthly payment schedule.

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Logan Dreasky
Michigan Department of Community Health
(517) 241-5414

dreaskyl@michigan.gov

The designated DTMB Project Manager is:

Kimberly Koppsch-Woods

Michigan Department of Technology, Management and Budget

Customer Service supporting Department of Community Health, Medicaid Compliance Program
(517) 284-7156

koppsch-woodsk@michigan.gov

DTMB/AGENCY RESPONSIBILITIES:

Provide detailed requirements and respond promptly to follow up questions.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

The Contract governs Work Location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

The Contract governs Work Hours and Conditions.

RIGHT TO OWNERSHIP:

The Contract governs Right to Ownership.

AGREEMENT:

Processing through and acceptance by the Department of Community Health and Department of Technology, Management & Budget, Purchasing Office, may be required to finalize this Statement of Work and amend the Contract prior to issuance of a purchase order.

A purchase order release from Contract Number 071B3200100 will be issued by DTMB Financial Services. The purchase order, statement of work, and the terms and conditions of Contract Number 071B3200100 constitute the entire agreement between the State and the Contractor.

ATTACHMENTS: MAGI Rules Engine R7 Project Charter

File Name: SOW MAGI CGI R7

ITRAC: C20150123-084447



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

**for
Modified Adjusted Gross Income (MAGI) Eligibility Determination Service
STATEMENT OF WORK**

Project Title: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service	Period of Coverage: April 1, 2015 – June 30, 2015
Requesting Agency: Department of Community Health	Date: February 11, 2015
Agency Project Manager: Logan Dreasky	Phone: (517) 241-5414
DTMB Project Manager: Kimberly Koppsch-Woods	Phone: (517) 284-7156
Contract Information: CGI Technologies and Solutions, Inc. Contract #071B3200100	Change Request (CR) #:
Attachments: MCP Release 6c MAGI Project Charter Change Request (PMM-014) for cc890	

BRIEF DESCRIPTION OF SERVICES TO BE PROVIDED:

Identification of scope in relation to the MAGI Rules Engine required for the Medicaid Compliance Program (MCP) development services in support of Release 6c (R6c). The purpose of Release 6c is to implement functionality to production which was not included in previous releases, R1-R6B. Release 6c focuses on those top priority-ranked change controls associated with potential and/or existing litigation as well as time-sensitive functionality items; these are classified as Core Scope Items. R6c also focuses on non-core technical scope items that are primarily MAGI-only effort, and will be done in parallel to the Core Scope Items with core items taking precedent. As part of the Medicaid Compliance Program (MCP), the purpose of this project is to support the State of Michigan in complying with the program goals for Release 6c.

BACKGROUND:

The State of Michigan (hereinafter referred to as “State” or “SOM”) is under contract with CGI Technologies and Solutions, Inc (hereinafter referred to as “Contractor”) to implement a MAGI Rules Engine utilizing rules from the Patient Protection and Affordable Care Act (PPACA or ACA) under the modified adjusted gross income (MAGI). As required under the Contract, the business and technical scope was identified with the responding Contractor approach. Scope was defined through October 1, 2013. Further IT services scope has been identified through June 30, 2015, and is included herein.

PROJECT OBJECTIVE:

Contract Change Notice #7 established high level work and deliverables and a payment schedule for FY15. As part of that change notice, as major releases are determined, creation of more detailed Statements of Work (SOW) is required to outline specific expectations for major releases. This SOW includes the detailed work and deliverables as part of the Medicaid Compliance Program Release 6c (also referred to as R6c). There is no additional cost for the work outlined within this SOW. All costs were established as part of Contract Change Notice #7.

The objective of this SOW is to identify the work and deliverables necessary to implement Medicaid Compliance Program Release 6c. More specifically:

- Implement approved R6c change controls that were deferred from previous releases.
- Perform integration testing with other systems impacted with R6c changes.
- Perform regression testing along with up-to-date production fixes and R6c release code base.
- Provide project and program support for testing and implementation.
- Incorporate validation of security requirements into the project development and/or testing cycle.
- Define Rules and Outcome (R&O) storage expectations.

SCOPE OF WORK:

Based on program requirements and JAD sessions, the following table outlines the high-level scope items to be addressed by the MAGI Rules Engine in Release 6c of the MCP System as provided by DCH and DHS and identified in the MCP leadership prioritization document:

Change Control	C. Core R6c Scope Items
3. Core R6c Scope items expecting complete SDLC Services and Deliverables:	
1620	Refresh MAGI and Non-MAGI Beneficiaries to Support Cost Sharing Go-Live
4. Core R6c Scope items expecting Testing and Implantation Support:	
1584	ED Negative action for full to ESO coverage
1482	CO 1606 for Full MA to ESO, or ESO to Full MA
1667	2200 Cases Not Included in Current ESO Reprocessing Effort
1680	Process Remaining 4,000 ESO Beneficiaries
1773	Additional ESO Reprocessing for 3000 Individuals
1679	Reprocess potential TMA/SNS Population after R6 March go-live
1647	Reprocessing parents who have been previously denied due to children not applying
1684	Retroactive Medical Expenses
1775	Modify existing MIHA Contribution Calculation Method & Temp Solution dependent on CC1620

Change Control	D. Non-Core R6c Scope Items
3. Non-Core R6c Scope items expecting partial SDLC Services and Deliverables.	
1701	MAGI short term fix for MiChild pends (CC1530)
4. Non-Core R6c Scope items expecting System Security Support	

1294	MAGI: Security - DTMB-170 Security Analysis
1175	MAGI: Impacts to R5 and R6 of Security Full Assessment Project *NOTE: ROM hours based on 112 controls.
5. Non-Core R6c Scope items expecting Testing and Implementation Support:	
1739	HUB: Create DB ping utility for Production troubleshooting/validation
1741	HUB: Automate log file to write from root directory to data directory
1176	HUB: Impacts to R5 and R6 of Security Full Assessment Project
1740	TECHNICAL: HUB - Install Dynatrace utility, develop alerts and reports for monitoring
1738	HUB: State to FFM Realtime AT requests
1736	HUB: TDS Simulator Website Redesign
1749	HUB: TECHNICAL: Hub needs history tables archived/purged
1502	HUB: TECHNICAL: Automate HUB FFM Ingestion of Account Transfers
1412	HUB: TECHNICAL: Enhanced Obfuscation & Restore Service Scope Change
1475	HUB: TECHNICAL: Hub logging tables need to be archived/purged
1467	HUB: TECHNICAL: Implement re-do queue processing in Hub
673	HUB: TECHNICAL: Needs additional environments to support release and maintenance
1645	HUB: TECHNICAL: Rational Team Concert
1746	HUB: TECHNICAL: Server build for HUB
6. Non-Core R6c Scope item expecting Services and Deliverables as documented below under Work and Deliverables:	
890	MAGI: Rules and Outcomes Storage information to be retained at CGI

TASKS:

The Contractor will coordinate with the State on the necessary tasks to complete the scope of work. At a minimum, Contractor and State will comply with the Contractor Approach as outlined in the corresponding section of the Contract under 1.104(l) Work and Deliverables and as listed below in this Statement of Work under "Work and Deliverables".

Tasks specific to Release 6c are detailed in attached Project Charter (PMM-002).

WORK AND DELIVERABLES:

Solution Overview

Rev 10/2015

7. This Statement of Work is an amendment to the SOW MAGI CGI FY15 to define specifics of R6c as required in SOW section D (b) (ii).
8. The solution referred to as “Release 6c” or “R6c” must be installed as defined within the R6 MAGI Rules Engine Final Project Charter.
9. Contractor and State will adhere to the mutually agreed upon schedule.
10. Contractor will support testing, including user acceptance testing of integrated components, performance testing, project level and program level testing. Contractor and State will work together to determine onsite testing support requirements in advance to allow for resource planning.
11. Contractor will support all “WAR” room activities.
 - a. Contractor and State will work together to define the needs which may include onsite/offsite support for go-live/post-go live activities.
12. The State reserves the right to modify the projects, change controls and defects identified for work. Changes will be managed through the established change control process.
13. Contractor will retain and provide Rules and Outcome (R&O) as requested for a period of seven (7) years.

B. Services and Deliverables to be Provided for Core Release 6c (R6c)

1. Core R6c Scope items expecting complete SDLC Services and Deliverables:

*cc1620 will repurpose an existing environment for the timeframe required to re-process the cases determined by the SOM (estimate is 1M determinations, which is estimated Not to Exceed 2TB of rules and outcomes storage above and beyond normal processing). This CC represents a one-time process that will **not** become part of MAGI system design.*

Detailed Business and Technical Requirements

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I) (A).

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(I) (A) of the Contract, and provide the following deliverables:

- a. Detailed Business Requirements
 - i. Requirements Traceability Matrix [revised] (RTM)

Application Design

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I) (D).

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(I) (D) of the Contract, and provide the following deliverables:

- a. System Design:
 - i. Requirements Traceability Matrix (initial including design)
 - ii. System Design Document (embedded in the RTM)

Application Development

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(E) and specifically as follows:

Deliverable(s)

- a. Test Plan, including Test Type Approach
- b. Test Cases Development baselines
- c. Project Test File (NA)
- d. System units and modules (xsd)

Testing

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(F) and specifically as follows:

- a. Integration Test completion date: To be mutually agreed with SOM/other vendors; schedule reported within weekly status report
- b. System Test completion date: To be mutually agreed with SOM; schedule reported within weekly status report
- c. User Acceptance Test completion date: To be mutually agreed with SOM; schedule reported within weekly status report
- d. The Contractor will participate in “war room” testing activities, as requested, by the State, to enhance communication and promote intense collaboration to remediate discovered testing defects.

At the Program Level, the State will provide an End-to End Testing Plan, which may require remediation of project level defects. The Contractor will adhere to the Testing Plan.

Deliverable(s)

- a. Requirements Traceability Matrix [final]
- b. Test Type Reports
 - i. Integration test reports
 - ii. Performance test report
 - iii. System test reports
 - iv. User Acceptance test report (NA)
- c. Test Cases and results

Implementation

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(G) and specifically as follows:

Deliverable(s)

- a. Services to implement the application, including:
 - i. Configuration
 - ii. Customization
 - iii. Interfaces/Integration.
- b. Operational software product.

Documentation

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(I) and specifically as follows:

Deliverable(s)

- a. The documentation of components, features, and use of the hardware/software shall be detailed such that resolution of most problems can be determined from the documentation, and most questions can be answered.
- b. All system, operational, technical, change, and issue documentation must be available in electronic format, published to an intranet website, accessible to State users, and be updated regularly, with unique numerical identifiers for each section and be consistent with the most current version of the application(s) and three (3) previous versions.
- c. All system, operations, user, change and issue documentation is to be organized in a format which is approved by the State. Its form should facilitate updating and allow-for revisions to the documentation to be clearly identified including the three (3) previous versions.

- d. The Contractor will develop and submit for State approval complete, accurate, and timely system, operations, and user documentation based on the mutually agreed upon project schedule.
- e. The Contractor must notify the State of any discrepancies or errors outlined in the system, operations, and technical documentation.

2. Core R6c Scope items expecting Testing and Implantation support only:

Services for this section have no development impact but may require testing support. If testing support is required, Contractor will provide services in the form of standby support by providing resources to support program testing

C. Services and Deliverables to be Provided for Non-Core Release 6c (R6c)

1. Non-Core R6c Scope items expecting complete SDLC Services and Deliverables (cc1701):

Services and Deliverables are applicable to all change controls listed as Non-Core R6c Scope items. The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(l) (A) (D) and (E). This document will include requirements, design, and test cases pertaining to the requirements of the scope item.

Deliverable(s)

- a. Requirements Traceability Matrix [revised] (RTM)
- b. System Design Document (embedded in the RTM)
- c. Test Scenarios
- d. Project level test report and test metrics for all non-core items

2. Non-Core R6c Scope items expecting System Security Support

Services for this section are in relation to MCP System Security. Contractor will provide services and support for the MCP Security team and collaborate on the completion of applicable system security controls and validations.

- a. CC1175 services include:
 - i. The assessors will send out a questionnaire requesting evidence for each of the controls contained within the questionnaire.
 - ii. Vendor partners will need to review and accept controls within the questionnaire. In cases where controls are not accepted, justification is required.
 - iii. Vendor partners will submit supporting evidence to the assessor within the agreed upon time frame.
 - iv. The assessors will review the vendor partners supporting evidence for completeness/quality.
 - v. "If necessary" The assessor will conduct follow-up interviews with the vendor partner in cases where supporting evidence did not meet a certain criteria.
- b. CC1294 services include providing a remediation status and remediation plan for identified security controls with issues/risks in regards to DTMB-0170 Security Analysis. The effort required to perform remediation is out of scope.

Deliverable(s)

- a. Control Evidence Document that includes control identification, screenshot or description of practical security procedure.

3. Non-Core R6c Scope items expecting Testing and Implantation support only:

Services for this section have no development impact but may require testing support. If testing support is required, the Contractor will provide services in the form of standby support by providing resources to support program testing

4. Services and Deliverables to be Provided for cc890 storage of Rules and Outcome (R&O)

The following are the requirements pertaining to the R&O:

- a. CGI will store the R&O and provide to the SOM on an ad hoc basis.
- b. CGI will retain R&O for seven years.
- c. A turnaround time not to exceed 24 hours is required for providing the R&O to SOM.
- d. There are no High Availability requirements for R&O.

Services:

- a. Design
- b. Development
- c. Unit Test
- d. Integration Test (NA)
- e. UAT (Technical team only)

Deliverables:

- a. Deliverables will be produced as per the corresponding section of the current contract governance model.

ASSUMPTIONS:

- 16. No additional scope items will be added without following MCP change control approval process utilizing the MCP Governance model.
- 17. Any non-core technical scope items that need to be removed from R6C due to external dependencies and/or constraints will follow MCP change control process.
- 18. Any program functional/system design that change the project design already approved will require a new change control.
- 19. FFM AT version will not change for this release and remain at State's current utilized version.
- 20. System dependencies will be defined, validated, and accommodated to enable Release 6C functionality.
- 21. Project level testing, including integration between systems and UAT should occur before program level end-to-end and regression testing.
- 22. All policy related to the scope of the release will be finalized in the Initiation and Planning phase of the release.
- 23. Each project and system will adhere to the MCP Program Security Requirements.
- 24. Responses for DTMB-170 Security Analysis (CC1294) are included in Security Full Assessment Project responses (CC1175).

DELIVERABLES:

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them.

ACCEPTANCE CRITERIA:

Acceptance criteria shall be governed by the Contract.

PROJECT CONTROL AND REPORTS:

Contractor will submit progress reports as described in the in the contract.

SPECIFIC AGENCY STANDARDS:

None identified.

PAYMENT SCHEDULE:

Approximate Vendor effort is 3,780 ROM hours with costs included and governed by the SOW MAGI CGI FY15 monthly payment schedule.

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Logan Dreasky
Michigan Department of Community Health
(517) 241-5414
dreaskyl@michigan.gov

The designated DTMB Project Manager is:

Kimberly Koppsch-Woods
Michigan Department of Technology, Management and Budget
Customer Service supporting Department of Community Health, Medicaid Compliance Program
(517) 284-7156
koppsch-woodsk@michigan.gov

DTMB/AGENCY RESPONSIBILITIES:

Provide detailed requirements and respond promptly to follow up questions.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

The Contract governs Work Location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

The Contract governs Work Hours and Conditions.

RIGHT TO OWNERSHIP:

The Contract governs Right to Ownership.

AGREEMENT:

Processing through and acceptance by the Department of Community Health and Department of Technology, Management & Budget, Purchasing Office, may be required to finalize this Statement of Work and amend the Contract prior to issuance of a purchase order.

A purchase order release from Contract Number 071B3200100 will be issued by DTMB Financial Services. The purchase order, statement of work, and the terms and conditions of Contract Number 071B3200100 constitute the entire agreement between the State and the Contractor.

ATTACHMENTS: MAGI R6c Project Charter (current as of 03/19/15)
cc890 Rules and Outcome Storage PMM-014

File Name: SOW MAGI CGI R6c v3
ITRAC: C20150320-145238



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

**for
Modified Adjusted Gross Income (MAGI) Eligibility Determination Service
STATEMENT OF WORK**

Project Title: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service	Period of Coverage: December 12, 2014 – March 31, 2014
Requesting Agency: Department of Community Health	Date: December 12, 2014
Agency Project Manager: Karen Parker	Phone: (517) 241-5555
DTMB Project Manager: Kimberly Koppsch-Woods	Phone: (517) 284-7156
Contract Information: CGI Technologies and Solutions, Inc. Contract #071B3200100	Change Request (CR) #:
Attachments: MCP Release 6 MAGI Project Charter	

BRIEF DESCRIPTION OF SERVICES TO BE PROVIDED:

Identification of scope in relation to the MAGI Rules Engine required for the Medicaid Compliance Program (MCP) development services in support of Release 6 (R6). Implement functionality to production which was not included in previous releases, R1-R5. R6 focuses on those top priority ranked change control requests and time sensitive functionality items.

As part of the Medicaid Compliance Program (MCP), the purpose of this project is to support the State of Michigan in complying with the program goals for Release 6.

BACKGROUND:

The State of Michigan (SOM) is under contract with CGI Technologies and Solutions, Inc (hereinafter referred to as "Contractor") to implement a MAGI Rules Engine utilizing rules from the Patient Protection and Affordable Care Act (PPACA or ACA) under the modified adjusted gross income (MAGI). As required under the Contract, the business and technical scope was identified with the responding Contractor approach. Scope was defined through October 1, 2013. Further IT services scope has been identified through March 31, 2015, and is included herein.

PROJECT OBJECTIVE:

Contract Change Notice #7 established high level work and deliverables and a payment schedule for FY15. As part of that change notice, as major releases are determined, creation of more detailed Statements of Work (SOW) is required to outline specific expectations for major releases. This SOW includes the detailed work and deliverables as part of the Medicaid Compliance Program Release 6 (also referred to as R6). There is no additional cost for the work outlined within this SOW. All costs were established as part of Contract Change Notice #7.

The objective of this SOW is to identify the work and deliverables necessary to implement Medicaid Compliance Program Release 6. More specifically:

- Implement approved R6 change controls that were deferred from previous releases.
- Perform integration testing with other systems impacted with R6 changes.

Perform regression testing along with up-to-date production fixes and R5 release code base.
 Provide project and program support for testing and implementation.
 Incorporate validation of security requirements into the project development and/or testing cycle.

SCOPE OF WORK:

Based on program requirements and JAD sessions, the following table outlines the high-level scope items to be addressed by the MAGI Rules Engine in Release 6 of the MCP System as provided by DCH and DHS and identified in the MCP leadership prioritization document:

Note: Change Notice #s (CC #) denoted with highlight and an asterisk (*) indicate a December 20, 2014, release date; the remaining are scheduled for a March 14, 2015, release.

Item #	CC #	Brief Description (In-Scope)	Functional Area(s)	ROM Hours
1	1164	MCP-T2 Parents eligible for medical coverage are denied if not applying for children/children have coverage	Policy, Eligibility Determination, Program / Coverage Application	310
2	1213	Duplicate beneficiaries are being created when applicants do not match by name or DOB	Program / Coverage Application, Case Management	420
3	1047	No system is currently determining eligibility for TMA and SNS.	Policy, Eligibility Determination, Program / Coverage Application, Enrollment	840
4	1055*	MAGI should not pend entire group for unverified income	Eligibility Determination, Program / Coverage Application	350
5	1316	State to FFM Bridges Pend Functionality	Eligibility Determination	100
6	1317	State to FFM Pending MiChild	Eligibility Determination	100
7	1153	DC Need way to collect self-emp net income AS*	Eligibility Determination, Program / Coverage Application	100
8	1125	MCP excluded income sent as other in AT AS* - Rules engine does not know to exclude	Eligibility Determination, Program / Coverage Application	170
9	999	Hub change to timer frequency for retrieving determinations from MAGI	Eligibility Determination	300
10	1308	Permanent Solution: Group Beneficiary Relationships for Cost Sharing Calculations	Policy, Claims Submission Adjudication & Processing, Reporting	50
11	1471	MCP systems will validate the security requirements identified to meet the standards set by CMS, IRS and State of Michigan Policies, Standards, and procedures.	Security	240

Excluded / Out of Scope

The following scope items are included in the R6 Program Charter scope but, based on high-level ROMs, have no development impact but may require testing support. For those scope items that include ROM hours, it is assumed that these hours are for implementation and program testing support only:

Item #	CC #	Brief Description (In-Scope)	Functional Area(s)	ROM Hours
12	1202*	Changing Historical LOC's	Policy, Enrollment	50
13	1200*	PAI edit on Run MAGI screen	Policy, Eligibility Determination, Program / Coverage Application, Case Management	50
14	1419	Request to include Group Income in MMIS, 5% Cost Share requirement and CC1308 update for Non Magi inclusion.	Policy, Claims Submission Adjudication & Processing, Reporting	200
15	1203	Bridges and MiBridges does not collect education information on a health care coverage only application resulting in incorrect MAGI determinations contain enough information cause duplicate ID's. Duplicate Ids - BRGUS00380904	Program / Coverage Application, Case Management	40

WORK AND DELIVERABLES:

Solution Overview

25. This Statement of Work is an amendment to the SOW MAGI CGI FY15 to define specifics of R6 as required in SOW section D (b)(ii).
26. The solution referred to as "Release 6" or "R6" must be installed as defined within the R6 MAGI Rules Engine Final Project Charter.
27. Contractor and SOM will adhere to the mutually agreed upon schedule.
28. Contractor will support testing, including user acceptance testing of integrated components, performance testing, project level and program level testing.

Contractor will support all "WAR" room activities.

Contractor and State will work together to define the needs which may include onsite/offsite support for go-live/post-golive activities.

Production Support Meetings/Deployments

- a. Review Production Tickets, daily as distributed by Tier 2
- b. Attend Tier 2 Triage Meetings three times a week
- c. Attend Weekly Release Coordination Meeting
- d. Design, Construct, Test and Deploy prioritized change controls as identified.

The State reserves the right to modify the projects, change controls and defects identified for work.

Changes will be managed through the established change control process.

Services and Deliverables to be Provided

1. 12/20/2014 Release (Change Controls 1055, 1200, 1202)

- Program Requirements Review 10/10/2014
- Requirements and Design 10/05/2014 – 10/19/2014
- Development 10/20/2014 – 11/07/2014
- Project SIT Testing 11/09/2014 – 11/23/2014
- Project UAT Testing 11/24/2014 – 12/14/2014
- Regression 12/15/2014 – 12/19/2014
- Deployment 12/20/2014

2. 03/07/2015 Release (Remaining Scope Items)

- Initiation and Planning 10/03/2014 – 10/17/2014
- TCO and SOW 10/17/2014 – 11/07/2014
- Requirements 10/27/2014 – 12/5/2014

- Design 11/17/2014 – 12/19/2014
- Development 11/17/2014 – 01/16/2015
- Project SIT Testing 01/12/2015 – 02/07/2015
- Project UAT Testing 01/16/2015 – 02/21/2015
- Program Testing Support 01/24/2015 – 03/14/2015
- Deployment 03/14/2015

Deliverables will be produced as per the current contract governance model.

Per SOW MAGI CGI FY15 v2 section E(2), services and deliverables provided as outlined in State and Contractor Roles and Contractor Approach Contract section 1.104(l) and are defined on a Monthly Expected Deliverables document.

ASSUMPTIONS:

29. No additional scope items or change control requests will be added without following MCP change control approval process utilizing the MCP Governance model.

Identify a system security lead that will participate in bi-weekly Security & Risk assessment meetings. Approximately 40% of the security requirements validation will be required by each system's development and/or testing team in relation to CC 1471.

TASKS:

The Contractor will coordinate with the State on the necessary tasks to complete the scope of work. At a minimum, the Contractor and State will comply with the Contractor Approach as outlined in the application Sections of the Contract under 1.104 Work and Deliverables.

DELIVERABLES:

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them.

ACCEPTANCE CRITERIA:

Acceptance criteria shall be governed by the Contract.

PROJECT CONTROL AND REPORTS:

Contractor will submit progress reports as described in the in the contract.

SPECIFIC AGENCY STANDARDS:

None identified.

PAYMENT SCHEDULE:

Approximate Vendor cost based on **3,320** ROM hours and is included and governed by the SOW MAGI CGI FY15 monthly payment schedule.

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Karen Parker
 Michigan Department of Community Health
 (517) 241-5555
Parkerk7@michigan.gov

The designated DTMB Project Manager is:

Kimberly Koppsch-Woods
 Michigan Department of Technology, Management and Budget
 Customer Service supporting Department of Community Health, Medicaid Compliance Program

(517) 284-7156
koppsch-woodsk@michigan.gov

DTMB/AGENCY RESPONSIBILITIES:

Provide detailed requirements and respond promptly to follow up questions.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

The Contract governs Work Location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

The Contract governs Work Hours and Conditions.

RIGHT TO OWNERSHIP:

The Contract governs Right to Ownership.

AGREEMENT:

Processing through and acceptance by the Department of Community Health and Department of Technology, Management & Budget, Purchasing Office, may be required to finalize this Statement of Work and amend the Contract prior to issuance of a purchase order.

A purchase order release from Contract Number 071B3200100 will be issued by DTMB Financial Services. The purchase order, statement of work, and the terms and conditions of Contract Number 071B3200100 constitute the entire agreement between the State and the Contractor.

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET

CONTRACT NO. 071B3200100

Between
The State of Michigan
And
CGI Technologies and Solutions Inc.

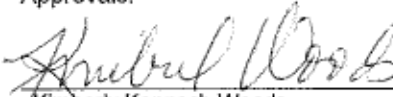
Notice of Decision

Project: MAGI Eligibility Determination Service

1. In accordance with the terms and conditions of Contract #071B3200100 (hereinafter referred to as "Contract"), CGI Technologies and Solutions Inc. (hereinafter referred to as "Contractor") have replaced the following Key Personnel:
Oracle MAGI Eligibility Service Technical Lead – Rodrigo Martinez-Maldonado
2. The Contractor asserts the following replacement resources meet the position requirements.
Oracle MAGI Eligibility Service Technical Lead – Ed Petrick
3. The State of Michigan (hereinafter referred to as "State") accepts this replacement in accordance with the terms and conditions of the Contract.

The signatures relay an understanding of the purpose and content of the document by those endorsing it.

Approvals:

 8/19/15
Kimberly Koppesch-Woods
Michigan Department of Technology,
Management and Budget
Date

 8/17/2015
Richard Crosby
CGI Technologies and Solutions Inc.
Date

Edward Petrick Principal Consultant

Ed has over 25 years of experience in software implementation, custom software development, project management, customer service, customer training, software testing, product management and a deep knowledge of key technologies to deliver the expert systems required by Oracle's clients. As a Senior Principal Consultant Ed has extensive experience using Oracle Policy Automation and has provided consultation directly to clients in the areas of rule-base (knowledge base) engineering, design, rule capture, rule authoring, enterprise systems integration, user interface design, deployment, systems integration and all levels of testing and deployment.

Professional Experience

Oracle Policy Automation (OPA)
State Government - Health & Human Services

- **Rules Architect:** A state Health & Human Services agency contracted with Oracle to implement a rulebase to determine eligibility for the state's MAGI Medicaid expansion. Ed designed and developed state specific MAGI Medicaid customizations for eligibility determinations and was responsible for mentoring and training two junior Oracle consultants. The Oracle team was able to overcome a late start by the client and deliver a full functioning rulebase that meet all of the client's requirements prior to the deadline.
- **Lead Rule Developer:** Ed led the development of an OPA rulebase for a state Health & Human Services agency that allowed citizens to apply for medical, food and cash assistance. During the project Ed was responsible for leading the requirements gathering sessions with the state SMEs, preparing design documents, designing the structure of the rulebase, developing OPA rules and mentoring 2 new Oracle OPA developers.
- **Lead Rule Developer:** Ed developed an OPA rulebase for a state Social Services agency that allowed citizens to apply for TANF, Early Learning Programs, Subsidized Child Care, Food Assistance and Refugee Assistance. His responsibilities included leading the development of the rulebase, testing, documentation and mentoring the state's staff on how to develop and test OPA rules.

CRM Software
State and Local Government

- **Software Engineer:** Ed led and participated in the customization and installation of Lagan 311 CRM product for several local and state government agencies. His responsibilities included the installation of the core CRM product, technical design, documentation, implementation of customizations and the training of client staff.

The projects included the implementation of a multi-million dollar human services project for a large county government agency. This project required extensive customization of the core CRM

product and the use of third party products including Apache ODE, Apache Lucene Search Engine and Oracle's Policy Automation products.

Factory and Process Automation
Manufacturing, State and Local Government

- **Customer Service Manager:** Ed managed a staff of 11 application support engineers and 3 customer service/inside sales people. He was also responsible for implementing a new Automated Call Distribution (ACD) system and the integration of Salesforce.com into the organization.

CRM Software
Banks and Credit Unions

- **Field Sales Engineer:** Ed led and participated in the successful implementation of a CRM software product for several large banks and credit unions. This included developing proof of concept demonstrations, writing statements of work and providing custom and standard product training to small and large groups.

Data Mining Software
Manufacturing and Medical Providers

- **Sales Support Engineer:** Ed led and participated in the implementation and customization of a data warehousing product for several large manufacturing and health care organizations.

Software Sales
Manufacturing, Financial and State and Local Government

- **Test Manager:** Ed managed the testing team for a very large scale Oracle Financials installation for an international services provider. This included directing and guiding all testing efforts, developing test strategies, planning and testing software evaluation.
- **Product Manager:** Ed collected marketing requirements and then managed the team that developed the functional design and technical specifications for a new testing software product. Ed was also responsible for defining the long and short-term objectives for the new product.

Skills Summary
Applications

- Oracle Policy Automation
- Medicaid, SNAP, TANF
- Lagan/Kana 311
- CRM
- Automated Testing
- Health Exchanges
- Human Services
- Salesforce.com
- Large Volume Data Analysis
- Financials

Technical

- Oracle DB
- MS Access
- MS Sequel Server
- Web Service Calls
- IBM Websphere
- HTML, XML, XSL
- Windows XP/Win7
- Sun Solaris
- Java
- Perl
- Visual Basic
- Apache Tomcat, ODE, Lucene Search Engine, Velocity Templates

Engagement Experience

- Design, Develop and Modify OPA Rulebases
- Functional and Technical Design
- Gather Requirements
- End User Training – Create and Deliver



Other Accomplishments

Education University of Michigan, BS in Computer and Information Science

Oracle Oracle Policy Automation Version 10 Certified Implementation Specialist
Accreditations

AUTHORITY: Act 431 of 1984
 COMPLETION: Required
 PENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 7
 to
CONTRACT NO. 071B3200100
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
CGI Technologies and Solutions Inc. 11325 Random Hills Road Fairfax, VA 22030-6051	Richard Crosby	Richard.crosby@cgi.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(618) 719-6714	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Kimberly Koppsch Woods	(517) 284-7156	Koppsch-woodsK@michigan.gov
BUYER	DTMB	David Hatch	(517) 284-7044	hatchD@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
5/31/2013	5/30/2016	2 One-Year	5/30/2016
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MIDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>	N/A	5/30/2016
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$4,277,526.00		\$19,668,238.59		

VALUE/COST OF CHANGE NOTICE:
\$4,277,526.00

ESTIMATED REVISED AGGREGATE CONTRACT VALUE:
\$19,668,238.59

Effective 11/14/2014 this contract is amended to incorporate SOW MAGI CGI FY15v2 (attached) and a total amount of \$4,277,526.00 so that the State can continue on utilizing the Contractor for ongoing maintenance and enhancement of the rules engine application and project management for duration of eleven (11) months (November 1, 2014 – September 30, 2015). The State had intended to transition the maintenance and enhancements to the rules engine application, but is not ready to do so. The State will notify the Contractor in writing of the State's intent to assume maintenance and enhancements of

the rules engine application or rulebase.

Payment will be made on a firm fixed cost basis, billed monthly at \$388,866.00. At the sole discretion of the State, the State may withhold up to 20 percent from each monthly payment until final acceptance by the State of the Monthly Expected Deliverables.

Per vendor and agency agreement and DTMB Procurement approval and the approval of the State Administration Board on September 11, 2014

All other terms, conditions, specifications and pricing remain unchanged.

Approved AD Board Contract Value: \$23,719,360.00



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

Project Title: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service	Period of Coverage: 11/1/14-9/30/15
Requesting Department: Department of Community Health	Date: October 6, 2014
Agency Project Manager: Karen Parker	Phone: (517) 241-5555
DTMB Project Manager: Kimberly Koppsch-Woods	Phone: (517) 284-7156
Contract Information: Contractor: CGI Technologies and Solutions Inc. ("CGI or "Contractor") Contract #071B3200100	Change Requests: N/A

Brief Description of Services to be provided:

Rules engine rules system development lifecycle, rule engine application maintenance and impact analysis required for the Medicaid Compliance Program (MCP) in support of Modified Adjusted Gross Income (MAGI) Eligibility Determination Service.

BACKGROUND:

The State of Michigan (hereinafter referred to as "State" or "SOM") is under Contract with CGI Technologies and Solutions, Inc. (hereinafter referred to as "Contractor" or "Vendor") to implement a rules engine utilizing rules from the Patient Protection and Affordable Care Act (PPACA or ACA) under the modified adjusted gross income (MAGI). As required under the Contract, the business and technical scope was identified with the responding Contractor approach and subsequent Change Notices incorporated into the Contract.

PROJECT OBJECTIVE:

The purpose of Medicaid Compliance Program (MCP) is to support the State as specified in the Contract between the parties and this Statement of Work in implementing and enhancing functionality as identified in the Medicaid Compliance Program objectives for the timeframe from November 1, 2014, through September 31, 2015.

The State had intended to transition the maintenance and enhancements to the rules engine application, but is not ready to do so. The State intends to continue utilizing the Contractor for information technology services ("IT Services") for ongoing maintenance and enhancement of the rules engine application and project management as provided in the Contract and this Statement of Work. The State will notify the Contractor in writing of the State's intent to assume maintenance and enhancements of the rules engine application or rule base. The Contractor will provide training and knowledge transfer/transition as described in Sections 1.104(H) and (L) of the Contract.

SCOPE OF WORK:

This Statement of Work consists of the below scope. Further details and specifications are listed in this Statement of Work section titled "Work and Deliverables".

- A. Rules engine rule application Maintenance and Operations relating to MCP, hereinafter referred to as "Rules engine M&O, exclusive of Section 1.104(I)(J) Operations and Section 1.104(I)(K) Maintenance and Support scope of the Contract
- B. Project management related to MCP
- C. Preliminary Analysis (a.k.a. Impact Analysis)
- D. Rules Engine Enhancements - System Development Lifecycle Services (SDLC)

The services and deliverables specified in this Statement of Work will be performed by 9.5 full-time equivalent resources to be provided by CGI as specified below

- Project Manager: 1.25
- System Analyst: 1.75
- OPA Specialist: 2.00
- QA Manager: 1.00
- Senior Consultant: 0.50
- Technical Lead: 1.00
- Tester: 2.00

In the event that accomplishment of the scope of work requires additional FTEs or a reallocation of FTEs among the specified categories, the parties will manage the required change through the established change control process.

TASKS:

CGI will coordinate with the State on the necessary tasks to complete the scope of work. At a minimum, CGI and State will comply with the Contractor Approach as outlined in the correspondence section of the Contract under 1.104(I) Work and Deliverables.

WORK AND DELIVERABLES:**Overview:**

- A. This Statement of Work covers the term November 1, 2014, through September 31, 2015.
- B. The State will classify whether services are considered an Enhancement (e.g. a minor release, release independent activity part of a major release, or other activity) Maintenance and Operation (M&O), or Defect resolution.
- C. Contractor and SOM will adhere to a mutually agreed upon documented schedule.
- D. Contractor will support production rules engine application maintenance and operations requests.
- E. Contractor will provide system development lifecycle support of rules engine application enhancements.
- F. The State reserves the right to modify the projects, change controls and defects identified for work. Changes will be managed through the established change control process.
- G. Payment will be made on a firm fixed cost basis, billed monthly at \$388,866.00. At the sole discretion of the State, the State may withhold up to 20 percent from each monthly payment until final acceptance by the State of the Monthly Expected Deliverables.

Services and Deliverables to Be Provided:

A. Rules Engine Application Maintenance and Operations (Rules engine M&O)

1. **Services:** The Contractor shall provide for concurrent maintenance, support and additional development as outlined below.
 - a. All Maintenance and Operation services are to be performed by qualified personnel trained in the rules engine software, Federal specific rules, and Michigan specific rules.
 - b. The Contractor will provide the State of Michigan a toll-free number that will be answered by a live agent 24x7x365. This agent will triage the nature of the call and will contact the appropriate technical or management resource in accordance with the contractual SLAs.
 - c. Maintenance service options are provided including 24 x 7 x 365 service, onsite service, 2- (emergency), 4-, and 8-hour and next day response times.
 - d. Calls for service will be returned within 2 hours.
 - e. Emergency assistance is available 24 hours a day, seven days a week, at no additional cost to the State.
 - f. The following services are provided for the current version and one previous version of any Software provided with the deliverables, commencing upon installation of the deliverables or delivery of the Software:
 - i. **Error Correction.** Upon notice by State of a problem with the Software (which problem can be verified), reasonable efforts to correct or provide a working solution for the problem.
 - ii. **Material Defects.** The State will be notified of any material errors or defects in the deliverables known, or made known to Vendor from any source, or in the case of the OPA application, made known to vendor by product manufacturer, during the Contract term that could cause the production of inaccurate, or otherwise materially incorrect, results and shall initiate actions as may be commercially necessary or proper to effect corrections of any such errors or defects.
 - iii. **Updates.** All new releases and bug fixes (collectively referred to as "Changes") for any software deliverable developed or published by Vendor, or in the case of the OPA application, made available by the manufacturer as part of its standard maintenance program, and made generally available to its other customers at no additional charge will be provided to the State at no additional charge.
2. **Deliverables:** The Contractor will perform Rules engine M&O activities as outlined above and provide deliverables as documented in the Contract section 1.104 Work and Deliverable Maintenance and Support (I) (K) in support of the services outlined in this section.

B. Project Management:

The Contractor will perform project management activities and provide deliverables as outlined in the Contract section 1.300 Project Plan and 1.400 Project Management in support of the services outlined in this section.

C. Preliminary Analysis (a.k.a. Impact Analysis)

1. **Services:** The Contractor will perform preliminary analysis/impact analysis as requested and prioritized by the State. Impact Analysis for identified production defects shall be conducted at no additional cost to the State, and will be addressed by CGI using the existing, planned team resources. The Contractor will communicate to the DTMB Project Manager any concerns about these activities impacting established timelines. If

necessary to protect established timelines, the State will determine and communicate work priority to the Contractor.

2. **Deliverables:** Impact Analysis results/response shall be provided consistent with a 48-hour objective for items deemed high priority and where practical. The Contractor will perform preliminary analysis/impact analysis as requested and prioritized by the State. The Contractor will provide a written impact statement to the State, propose alternative solutions and describe impacts to costs, schedule, resources and other Medicaid system components for proposed work, as well as impact to work in progress. Impact analysis will primarily be conducted for proposed changes, new/altered business requirements, new projects and defects. For the purpose of this SOW, vendor is required to document in any Impact Analysis delivered, additional impact to any system components including hardware, software, interfaces, services, data, and databases.

D. Rules Engine Application Enhancements/SDLC

1. Rules engine application enhancements include any modification to the rules, including but not limited to rule development, enhancements and modifications ("rules engine enhancements") as part of any release activity ("releases") identified by the State (e.g. minor release, release independent system modifications, major release). Rules engine enhancements shall proceed through the SUITE methodology and shall all include all phases of system development lifecycle as outlined in Section 1.104(l) of the Contract.
 - a. **Services:**
 - i. The Contractor will provide system development lifecycle services and follow the State and Contractor Roles and Contractor Approach as outlined in the appropriate section of Contract Section 1.104(l). The system development lifecycle services stages include:
 1. Initiation and Planning Activities (e.g. Project Charter, Project Plan, documenting risks, assumptions, critical success factors, resource needs, quality expectations, communication expectations).
 2. Detailed Business and Technical Requirements
 3. Application Design
 4. Application Development
 5. Testing
 6. Implementation
 7. Documentation
 8. Training and Knowledge Transfer
 - ii. All rules engine enhancements will be identified through an approved Project Charter or through the established project Change Request Process.
 - iii. All security patches and system and software configuration changes must be tested before deployment.
 - iv. There must be separate development, test and production environments.
 - b. **Deliverables:**
 - i. The Contractor will provide the Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in the Contract Section 1.104(l) for the appropriate stage of activities. Where appropriate, existing project deliverables will be updated to incorporate enhancements. Any SUITE template or deliverable waivers must be

agreed upon with the DTMB Project Manager listed within this Statement of Work.

- ii. For major releases, a more detailed scope of work, services and deliverables will be identified by the State and agreed to with the Contractor through the creation of new Statements of Work. New Statements of Work are intended to ensure Contractor and State agreement to specifically identified deliverables and the major release project plan.

E. Additional Deliverables:

1. The Contractor will update the resources assigned to the project by roles, names and location as identified in the Contract by Attachment D – Contract Pricing, Table 4, and Other Optional Costs as changes occur.
2. The Contractor will provide the State with the approximate number of resource hours available for enhancements on a monthly basis, or as requested by the State.
3. Deliverables due each month are determined based upon the mutually agreed upon documented schedule and the milestones within that schedule. By the fifth day of each month, the State Project Manager will document and provide to the CGI Project Manager the expected final deliverables for that month ("Monthly Expected Deliverables"). The Monthly Expected Deliverables will be updated by the State Project Manager during the month as work activities are identified, adjusted or removed.
4. Once a month, the Contractor will identify the percentage of costs attributable to the State identified categories of Rule engine Enhancement, Rule engine M&O, or Defect resolution with the monthly invoice (based upon the release number if applicable).

ROLES AND RESPONSIBILITIES:

The Contractor will adhere to the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(l) for the applicable activity. Additionally, the Contractor is responsible for managing resources to ensure resources are 100% allocated to State requested and authorized work activities. The Contractor is responsible to notify the State of any projected or realized availability in Contractor resource capacity.

ASSUMPTIONS:

1. The scope inclusion in each release shall be defined by the Medicaid Compliance Program level scope and requirements, further delineated during project requirements sessions.
2. There is a need to continue support of production deployments concurrently with other services provided as part of this Statement of Work.
3. Resources assigned are available for all SDLC and Maintenance and Operations activities as prioritized by the SOM.
4. If the scope of work requested of CGI by SOM necessitates an increase in staffing to accommodate, CGI will recommend staffing changes, including associated pricing adjustments, CGI and SOM will follow the established change control process in order to mutually agree to an SOW amendment.

ACCEPTANCE CRITERIA:

Deliverable acceptance is governed by the Contract Sections 1.501 and 2.250.

PROJECT CONTROL AND REPORTS:

Contractor will submit progress reports as described in the in the Contract.

SPECIFIC DEPARTMENT STANDARDS:

None.

PAYMENT SCHEDULE:

Payment will be made on a firm fixed cost basis, billed monthly at \$388,866.00. At the sole discretion of the State, the State may withhold up to 20 percent from each monthly payment until final acceptance by the State of the Monthly Expected Deliverables.

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

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

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Karen Parker
Michigan Department of Community Health
(517) 241-5555
Parkerk7@michigan.gov

The designated DTMB Project Manager is:

Kimberly Koppsch Woods
Michigan Department of Technology, Management and Budget
Customer Service supporting Department of Community Health, Medicaid Compliance Program
(517) 284-7156
koppsch-woodsk@michigan.gov

AGENCY RESPONSIBILITIES:

Provide detailed requirements and respond promptly to follow up questions.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

The Contract governs Work Location in section 1.201(B) (1) Location of Work. Modifications to Work Locations must be approved by the State and may be planned for both onsite and offsite as appropriate to successfully provide the services and deliverables defined in this Statement of Work.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

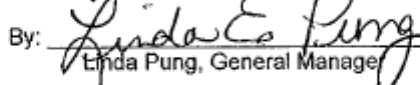
The Contract governs Work Hours and Conditions in section 1.201(B)(2) Hours of Operations unless specifically stated otherwise in this Statement of Work. (Vendor support service is expected as described above in Section A(1) Rules Engine Maintenance and Operations.)

AGREEMENT:

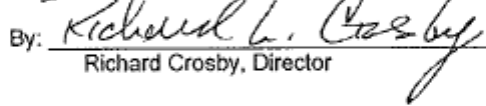
Processing through and acceptance by the Department of Community Health and Department of Technology, Management & Budget, Purchasing Office, may be required to finalize this Statement of Work and amend the Contract prior to issuance of a purchase order.

AGREED TO: STATE OF MICHIGAN, DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

By:  Date: 11-20-14
Kimberly Koppsch Woods, Business Relationship Manager

By:  Date: 11-21-14
Linda Pung, General Manager

AGREED TO: CGI TECHNOLOGIES AND SOLUTIONS, INC.

By:  Date: November 20, 2014
Richard Crosby, Director

This purchase order is a release from Contract Number 071B3200100. This purchase order, statement of work, and the terms and conditions of Contract Number 071B3200100 constitute the entire agreement between the State and the Contractor.

Filename: SOW MAGI CGI FY15 v2

AUTHORITY: Act 431 of 1984
 COMPLETION: Required
 PENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 6
 to
CONTRACT NO. 071B3200100
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
CGI Technologies and Solutions Inc. 11325 Random Hills Road Fairfax, VA 22030-6051	Richard Crosby	Richard.crosby@cgi.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(618) 719-6714	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Kimberly Koppsch Woods	(517) 284-7156	Koppsch-woodsK@michigan.gov
BUYER	DTMB	David Hatch	(517) 284-7044	hatchD@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
5/31/2013	5/30/2016	2 One-Year	5/30/2016
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MIDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>	N/A	5/30/2016
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$478,595.00		\$15,390,712.59		

VALUE/COST OF CHANGE NOTICE:
 \$478,595.00

ESTIMATED REVISED AGGREGATE CONTRACT VALUE:
 \$15,390,712.59

Effective 10/24/14/2014 this contract is amended to:

1. Kim Koppsch-Woods is DTMB Project Manager and Contract Compliance Inspector
2. Substitute the existing MAGI Eligibility Service Technical Lead Key Personnel resource, Don Kosy, with Rodrigo Martinez (see attached agreement).
3. Add \$478,595.00 to account for the full value of Release 4 and update the committed costs till the end of

the contract term per Change Notice 5. (see below for details)

Per Change notice 5, the 9/11/2014 State Administrative Board approved adding \$11,242,430.00 to support the known remaining committed costs till the end of the contract term and for Optional Costs on an as needed basis through individual Statement of Work(s) till the end of the contract term. Since CCN#5, it has been found that:

- A. An additional \$476,795.00 is required to cover Release 4 total costs. SOW is already attached to CN#5.
- B. Committed costs for the Maintenance Façade FY15 and FY16 were figured at 21,450 month vs the correct amount of \$21,540 month. As such, an additional \$1,800.00 required to cover Maintenance Façade total costs. See below for updated committed costs:

FY15 and FY16 Committed Costs

FY15 Committed Costs - 10/1/14 -9/30/15

Operations: 12 months @ \$72,300	\$867,600.00
Maintenance: Façade: 12 months @ \$21,540	\$258,480.00
Maintenance and Support: Test Environments: 12 months @ \$18,677.17	\$224,126.04
Maintenance and Support: Memory: 12 months @ \$9,128/month	\$109,536.00
Release 5: Testing and Implementation	\$891,450.00
Total	<u>\$2,351,192.04</u>

FY16 Committed Costs- 10/1/15 -5/30/16

Operations: 8 months @ \$72,300	\$578,400.00
Maintenance: Façade: 8 months @ \$21,540	\$172,320.00
Maintenance and Support: Test Environments: 8 months @ \$18,677.17	\$149,417.36
Maintenance and Support: Memory: 8 months @ \$9,128	\$73,024.00
Total	<u>\$973,161.36</u>

Total FY15 and FY16 Committed

\$3,324,353.40

Per vendor and agency agreement and DTMB Procurement approval and the approval of the State Administration Board on September 11, 2014
All other terms, conditions, specifications and pricing remain unchanged.

Approved AD Board Contract Value: \$23,719,360.00

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET

CONTRACT NO. 071B3200100

Between
The State of Michigan
And
CGI Technologies and Solutions, Inc.

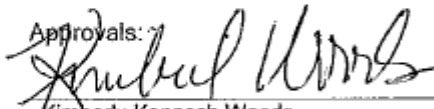
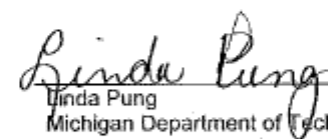
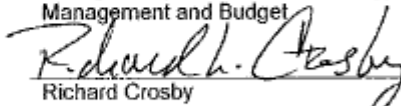
Notice of Decision

Project: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service

1. In accordance with the terms and conditions of Contract #071B3200100 (hereinafter referred to as "Contract"), CGI Technologies and Solutions, Inc. (hereinafter referred to as "Contractor") intends to substitute the existing MAGI Eligibility Service Technical Lead resource, Don Kosy, with a new resource. This role is identified as Key Personnel.
2. The Contractor asserts the replacement resource, identified as Rodrigo Martinez, meets the position requirements.
3. The State of Michigan (hereinafter referred to as "State") accepts this replacement in accordance with the terms and conditions of the Contract.

The signatures relay an understanding of the purpose and content of the document by those endorsing it.

Approvals:

 Kimberly Koppesch-Woods Michigan Department of Technology, Management and Budget	<u>10/10/14</u> Date	 Linda Pung Michigan Department of Technology, Management and Budget	<u>10-13-14</u> Date
 Richard Crosby CGI Technologies and Solutions, Inc.	<u>10/9/2014</u> Date		

AUTHORITY: Act 431 of 1984
 COMPLETION: Required
 PENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 5
 to
CONTRACT NO. 071B3200100
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
CGI Technologies and Solutions Inc. 11325 Random Hills Road Fairfax, VA 22030-6051	Richard Crosby	Richard.crosby@cgi.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(618) 719-6714	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Kimberly Koppsch Woods	(517) 284-7156	Koppsch-woodsK@michigan.gov
BUYER	DTMB	David Hatch	(517) 284-7044	hatchD@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
5/31/2013	5/30/2016	2 One-Year	5/30/2016
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MIDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>	N/A	5/30/2016
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$2,435,187.59		\$14,912,117.59		

Effective 9/11/2014 this contract is amended to incorporate the attached SOWs for Release 3, 4 and 5 as well amend Contract Change Notice 1 to increase the MPLS Contingency cost from \$60,000.00 to \$75,700.00. In addition, this contract is increased by \$2,435,187.59 to support the known remaining committed costs till the end of the contract term:

FY15 Committed Costs – 10/1/14 -9/30/15

Operations: 12 months @ \$72,300	\$867,600.00
Maintenance: Façade: 12 months @ \$21,450	\$257,400.00
Maintenance and Support: Test Environments: 12 months @ \$18,677.17	\$224,126.04
Maintenance and Support: Memory: 12 months @ \$9,128	\$109,536.00
Release 5: Testing and Implementation (Amount added to the contract to support total Release 5 cost)	\$891,450.00

Total	<u>\$2,350,112.04</u>
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FY16 Committed Costs – 10/1/15- 5/30/16

Operations: 8 months @ \$72,300	\$578,400.00
Maintenance: Façade: 8 months @ \$21,450	\$171,600.00
Maintenance and Support: Test Environments: 8 months @ \$18,677.17	\$149,417.36
Maintenance and Support: Memory: 8 months @ \$9,128	\$73,024.00
Total	<u>\$972,441.36</u>

Total FY15 and FY16 Committed	<u>\$3,322,553.40</u>
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Other Optional Costs reduced to \$0. Additional funds will be added if DTMB Procurement approves a requested SOW/Proposal and executes a Contract Change Notice.

This Change Notice is Per Administrative Board Approval on September 11, 2014.

All other terms, conditions, specifications and pricing remain unchanged. Per vendor and agency agreement and DTMB Procurement approval.



**MICHIGAN DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND
BUDGET
IT SERVICES
for
Modified Adjusted Gross Income (MAGI) Eligibility Determination Service
STATEMENT OF WORK**

This purchase order is a release from Contract #07183200100 ("Contract") between CGI Technologies and Solutions, Inc. ("Contractor" or "Vendor") and the Department of Technology, Management & Budget (DTMB) and Department of Community Health (DCH), collectively referred to as "State". The purchase order, statement of work, and the terms and conditions of the Contract constitute the entire agreement between the State and the Contractor.

Project Title: Modified Adjusted Gross Income (MAGI) Eligibility <u>Determination</u> Service	Period of Coverage: January 1, 2014- December 31, 2015
Requesting Agency: Department of Community Health	Date: January 9, 2014
Agency Project Manager: Dennis Shippy	Phone: (517) 373-2609
DTMB Project Manager: Gayathri Jaganathan	Phone: (517) 373-2776
Contract Information: CGI Technologies and Solutions, Inc. Contract #07183200100	Change Request (CR) #: N/A
Attachments: MCP Release 3 Charter- Program Level MCP Release 3 Program Level Requirements	

BRIEF DESCRIPTION OF SERVICES TO BE PROVIDED:

Identification of scope required for the Medicaid Compliance Program (MCP) development services in support of implementing House Bill 4714, often referred to as "Healthy Michigan Plan" or "Release 3" or "R3".

While the Healthy Michigan Plan will include many business and technology deployments over time to address the functionality described in House Bill 4714, this MCP Release 3 Project Charter is specific to the first deployment during the first quarter of calendar year 2014.

BACKGROUND:

The State of Michigan (SOM) is under contract with Contractor to implement a rules engine utilizing rules from the Patient Protection and Affordable Care Act (PPACA or ACA) under the modified adjusted gross income (MAGI). As required under the Contract, the business and technical scope was identified with the responding Contractor approach. Scope was defined through October 1, 2013, and extended through December 31, 2013. Further IT services scope has been identified beyond December 31, 2013, and is included herein.

PROJECT OBJECTIVE:

The purpose of Release 3 is to provide health care coverage to low-income Michigan citizens who are uninsured or underinsured. Release 3 will also identify, through data discovery, policies and procedures that could improve health care quality and stabilize health care costs. Refer to Attachment A, MCP Release 3 Charter, for program objectives.

1. Implementation of State of Michigan functionality to meet the system requirements of House Bill4714.
2. Modification of existing systems to set applicants, who are determined eligible for the Healthy Michigan Plan, to have an effective eligibility date of 4/1/2014 for determinations done prior to 4/1/2014.
3. Re-evaluation of applicants who were denied MAGI related eligibility before the Healthy Michigan Plan rules were implemented in the MAGI determination service with an eligibility date no earlier than 4/1/2014.
4. Modification to MAGI Eligibility Determination Service with new MAGI Rules that include- eligibility requirements for the Healthy Michigan Plan population.
5. Modification -of the MAGI rules engine for the Healthy Michigan Plan population including: FPL, MAGI Category indicator, correct old vs. new indicator.
6. Evaluation of all "Spend-Down" and Group II FFS population(s) for re-evaluation to Healthy Michigan Plan (as business appropriate).
7. Process applicants who were denied MAGI benefits under the pre-Healthy Michigan Plan rule set by identifying them from the MAGI Rules engine, and automatically resend- them for a new determination.
8. Ability to reprocess applicants who originated at the FFM and were denied MAGI benefits under the pre-Healthy Michigan Plan rule set in support of House Bill4714.

SCOPE OF WORK:

Solution Overview

1. Healthy Michigan Plan:
 - a. The solution referred to as "Healthy Michigan Plan", "Release 3" or "R3" must be installed and in operation by March 15, 2014. Planning for this goal will be based on the approach and assumptions documented in this SOW.
 - b. Contractor and SOM will adhere to the mutually agreed upon schedule.
 - c. Healthy Michigan Plan deliverables will be based on final program requirements below. Project requirements will be gathered during requirement sessions scheduled in accordance with the project schedule SOM and CGI will mutually agree to how the requirements will be satisfied:
 - i. Evaluation and modification of the existing MAGI Determination Service to implement the eligibility requirements and FMAP requirements of the Healthy Michigan Plan. Ensure current processes are not impacted
 - ii. Reprocess applications for possible Healthy Michigan plan eligibility using all of the application reprocessing criteria: Criteria's are listed in program business requirements
 - iii. Refer to attached program level business requirements that includes high level requirements for MAGI Rules Engine.
 - iv. Establish eligibility rules for adult group
 - v. Assign eligible applicants to most beneficial category
 - vi. Sending and identifying referrals
 - vii. Appropriately flag Medicaid recipients
 - viii. Coordination with Bridges
 - ix. Evaluate and revise impacted Reports
 - x. Transmit individual information
2. Release 4: The solution referred to as "Release 4" or "R4" will be installed after Release 3. The full scope will be outlined in a separate Statement of Work. Some Initiation and Planning activities are included within this SOW.
3. Maintenance and operations supporting Release 1 and 2.

Services and Deliverables to be Provided

A. Detailed Business and Technical Requirements

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(1)(A). Where appropriate, existing project deliverables will be updated to incorporate the Release 3 scope. The contractor may use SUITE in the cases where it is practical, and does not incur additional costs. Final determinations regarding this will be made as early as practicable and agreed upon with the DTMB Project Manager. Any deliverable waivers must be agreed upon with DTMB.

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(1)(A) of the Contract, and provide the following deliverables:

- Detailed Business Requirements
 - Requirements Traceability Matrix [New]
 - Business Requirements Document
- Approved Structured Walkthroughs for above documents

D. Application Design

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(1)(D). Where appropriate, existing project deliverables will be updated to incorporate the Release 3 scope. The contractor may use SUITE in the cases where it is practical, and does not incur additional costs. Final determinations regarding this will be made as early as practicable and agreed upon with the DTMB Project Manager. Any deliverable waivers must be agreed upon with DTMB.

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(1)(D) of the Contract, and provide updates to the following deliverables that were produced during Release 1 and 2:

- Functional Design:
 - Functional Design Document
 - Requirements Specifications [Final]
 - Requirements Traceability Matrix [Updated]
 - Approved Structured Walkthrough for the above documents
- System Design:
 - Conversion Plan [if necessary]
 - Requirements Traceability Matrix [Updated]
 - System Design Document [Final]
 - Test Plan includes Test Type Approach and Reports [Initial]
 - Test Cases [Initial]
 - Approved Structured Walkthrough for the above documents

E. Application Development

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(1)(E). Where appropriate, existing project deliverables will be updated to incorporate the Release 3 scope. The contractor may use SUITE in the cases where it is practical, and does not incur additional costs. Final determinations regarding this will be made as early as practicable and agreed upon with the DTMB Project Manager. Any deliverable IYaivers must be agreed upon with DTMB.

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(1)(E) of the Contract, and provide updates to the following deliverables that were produced during Release 1 and 2:

- Requirements Traceability Matrix [revised]

- Conversion Plan [revised]
- Test Cases [revised]
- Transition Plan [initial]
- Installation Plan [initial]
- Security Plan and Assessment [review and revise as necessary]
- Operating Documentation
 - Developer's Reference Manual
- Project Test Results File
- System units and modules
- Approved Structured Walkthroughs for above documents.

F. Testing

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(1)(F). Where appropriate, existing project deliverables will be updated to incorporate the Release 3 scope. The contractor may use SUITE in the cases where it is practical, and does not incur additional costs. Final determinations regarding this will be made as early as practicable and agreed upon with the DTMB Project Manager. Any deliverable waivers must be agreed upon with DTMB.

The Contractor will participate in "war room" testing activities, as requested, by the State, to enhance communication and promote intense collaboration to remediate discovered testing defects.

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(1)(F) of the Contract, and provide updates to the following deliverables that were produced during Release 1 and 2:

- Requirements Traceability Matrix [final]
- Conversion Plan [revised]
- Test Type Approach and Reports [final]
 - Integration test reports
 - System test reports
 - User Acceptance test report
- Test Cases [final]
- Transition Plan [revised]
- Installation Plan [final]
- Security Plan and Assessment [review and revise as necessary]
- Operating Documentation [final]
 - Developer's Reference Manual

G. Implementation

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(1)(G). Where appropriate, existing project deliverables will be updated to incorporate the Release 3 scope. The contractor may use SUITE in the cases where it is practical, and does not incur additional costs. Final determinations regarding this will be made as early as practicable and agreed upon with the DTMB Project Manager. Any deliverable waivers must be agreed upon with DTMB.

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(1)(G) of the Contract, and provide updates to the following deliverables that were produced during Release 1 and 2:

- Services to implement the application, including:
 - Data conversion (if necessary)

- - Data migration (if necessary)
 - Configuration
 - Customization
 - Interfaces/Integration
- Conversion Plan [final]
- Transition Plan [final]
- Security Plan and Assessment [revise and finalize]
- *Converted* data or system files (if necessary)
- Installation Test materials
- Operating documents
- Operational software product

H. Training

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(1)(H). Where appropriate, existing project deliverables will be updated to incorporate the Release 3 scope. The contractor may use SUITE in the cases where it is practical, and does not incur additional costs. Final determinations regarding this will be made as early as practicable and agreed upon with the DTMB Project Manager. Any deliverable waivers must be agreed upon with DTMB.

If initial training has not occurred as outlined in the Contract, the new functionality will be trained with the "initial training". If the initial training has already occurred, the Contractor will provide updated training sessions for the State.

Deliverable(s)

At a minimum the Contractor will provide the requirements stated *above* and provide and update the deliverables in Contract Section 1.104(1)(H).

I. Documentation

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(1)(1)) as modified by mutual agreement during the course of Release 1 and Release 2 project execution. Where appropriate, existing project deliverables will be updated to incorporate the Release 3 scope.

J. Operation Services

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(1)(J)) as modified by mutual agreement during the course of Release 1 and Release 2 project execution. Where appropriate, existing project deliverables will be updated to incorporate the Release 3 scope.

K. Maintenance and Support

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(1)(K)) as modified by mutual agreement during the course of Release 1 and Release 2 project execution. Where appropriate, existing project deliverables will be updated to incorporate the Release 3 scope.

L. Knowledge Transfer/Transition

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(1)(L)) as modified by mutual agreement during the course of Release 1 and Release 2 project execution. Where appropriate, existing project deliverables will be updated to incorporate the Release 3 scope.

ASSUMPTIONS:

- The scope inclusion in each release shall be defined and by the Medicaid Compliance Program level scope and requirements, further delineated during R3 project requirements sessions.
- Implementation dates are determined by the State and subject to change at the discretion of the State. However, this SOW is based on a target implementation of Release 3 no later than for March 31, 2014. Scope changes made by the State that affect price and schedule for the contract will be accommodated through the change control process.
- There is no requirement for additional hardware or software procurement for MAGI Rules Engine for R3 identified within this SOW. However, a need for environments has been identified and will be addressed through a change request. There is a need to continue support of R2 while in development of R3.
- Current resources working on R1 and R2 will be planned to support R3.
- Ongoing support for Release 1 and Release 2 will be provided to support an implementation date planned for the week of January 24, 2014.
- CGI and the State will mutually agree to a revised payment schedule for Release 1 and Release 2 Implementation.
- At the time of this SOW, no changes are projected with regards to the Security Plan and Assessment as outlined within the Deliverables.

TASKS:

The Contractor will coordinate with the State on the necessary tasks to complete the scope of work. At a minimum, the Contractor and State will comply with the Contractor Approach as outlined in the application Sections of the Contract under 1.104 Work and Deliverables.

Contractor will provide detailed project schedule based on scope of work and in alignment to program schedule to complete this initiative by end of 1st quarter 2014.

DELIVERABLES:

.Deliverables will not be considered complete until the Agency Project Manager has formally accepted them.

ACCEPTANCE CRITERIA:

Acceptance criteria shall be governed by the Contract.

PROJECT CONTROL AND REPORTS:

Contractor will submit progress reports as described in the in the contract.

SPECIFIC AGENCY STANDARDS:

None identified.

PAYMENT SCHEDULE:

Other Services as described in Section 1.104(1) (M) Table 4 of the Contract will fund this Statement of Work. Payment will be made on a fixed cost basis in accordance with the deliverable schedule as shown below:

Work allocation based upon project activity:

- 25% Release 1 and 2 Maintenance and Support
- 65% Healthy Michigan
- 10% Release 4

Payment	Deliverable	Amount
30% upon Stage exit of the following SUITE phases:		
1	<ul style="list-style-type: none"> Detail Business Requirements Application Design 	\$528,302.70
30% upon Stage Exit of the following SUITE phases:		
2	<ul style="list-style-type: none"> Testin 	\$528,302.70
40% upon Stage Exit of thii> following SUITE phases:		
3	<ul style="list-style-type: none"> Implementation Documentation -Written Deliverables Only 	\$704,403.60
Total Cost		\$1,761,009.00

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

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

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Karen Parker
 Michigan Department of Community Health
 (517) 241-5555
 Parkerk7@michigan.gov

The designated DTMB Project Manager is:

Kimberly Koppsch-Woods
 Michigan Department of Technology, Management and Budget
 Customer Service supporting Department of Community Health, Medicaid Compliance Program (517) 373-0397
 koppsch-woodsk@michigan.gov

DTMB/AGENCY RESPONSIBILITIES:

Provide detailed requirements and respond promptly to follow up questions.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

The Contract governs Work Location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

The Contract governs Work Hours and Conditions.

RIGHT TO OWNERSHIP:

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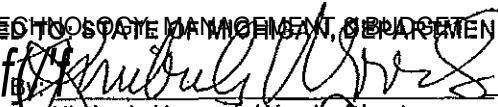
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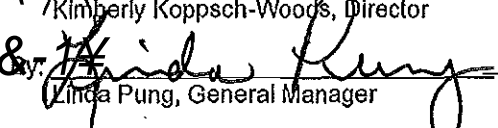
The Contract governs Right to Ownership.

AGREEMENT:

Processing through and acceptance by the Department of Community Health and Department of Technology, Management & Budget, Purchasing Office, is required to finalize this Statement of Work and amend the Contract.

TMI: ILLINOIS STATE MANAGEMENT DEPARTMENT

Date: 4/1-15 By: 
Kimberly Koppesch-Woods, Director

Date: d, - & 
Linda Pung, General Manager

AGREED TO: CGI TECHNOLOGIES AND SOLUTIONS, INC.

By: 
Richard Crosby, Director

Date: 112912014

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APPENDIX A

PMM-0002 MCP
Healthy Michigan Plan - R3 Program Charter



Release 3

Requirements Final 2C - R3 Program Requirements



MICHIGAN DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND
 BUDGET
 IT SERVICES
 for
 Modified Adjusted Gross Income (MAGI) Eligibility Determination Service
 STATEMENT OF WORK

This purchase order is a release from Contract #071B3200100 ("Contract") between CGI Technologies and Solutions, Inc. ("Contractor" or "Vendor") and the Department of Technology, Management & Budget (DTMB) and Department of Community Health (DCH), collectively referred to as "State". The purchase order, statement of work, and the terms and conditions of the Contract constitute the entire agreement between the State and the Contractor.

Project Title: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service	Period of Coverage: April 1, 2014-June 30, 2014
Requesting Agency: Department of Community Health	Date: April 16, 2014
Agency Project Manager: Karen Parker	Phone: (517) 241-5555
DTMB Project Manager: Kimberly Koppsch-Woods	Phone: (517) 284-7156
Contract Information: CGI Technologies and Solutions, Inc. Contract #07183200100	Change Request (CR) #: 861,769,338,571
Attachments: MCP Release 3 Charter- Program Level MCP Release 3 Program Level Requirements	

BRIEF DESCRIPTION OF SERVICES TO BE PROVIDED:

Identification of scope required for the Medicaid Compliance Program (MCP) development services in support of presumptive eligibility and system enhancements functionality, deferred functionality from previous releases, and new functional needs discovered during the Medicaid Compliance Program (MCP) life span, to be referred to as "Release 4" or "R4".

BACKGROUND:

The State of Michigan (SOM) is under contract with Contractor to implement a rules engine utilizing rules from the Patient Protection and Affordable Care Act (PPACA or ACA) under the modified adjusted gross income (MAGI). As required under the Contract, the business and technical scope was identified with the responding Contractor approach. Scope was defined through October 1, 2013, and extended through March 31, 2014. Further IT services scope has been identified beyond March 31, 2014, and is included herein.

PROJECT OBJECTIVE:

The purpose of Release 4 is to provide eligibility services for presumptive functionality and other systems enhancements and deferred functionality from previous releases. The main program objectives of Release 4 implementation are based on five functionalities:

1. Presumptive eligibility for all relevant categories
2. Retroactive eligibility

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3. Auto Certification

Statement of Work, Contract# 07183200100

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5. Systems enhancements

Refer to Attachment A for R4 program charter that contains additional details. SCOPE

OF WORK:

Solution Overview

1. This Statement of Work covers the term April1, 2014, through June 30, 2014.
2. The solution referred to as "Presumptive Eligibility and System Enhancements", "Release 4" or "R4" must be installed and in operation by June 20, 2014. Planning for this release will be based on the scope and assumptions documented in this SOW.
3. Contractor and SOM will adhere to the mutually agreed upon schedule.
4. Contractor will support testing, including user acceptance testing of integrated components, performance testing, project level and program level testing.
5. Contractor will support all "WAR" room activities.

Contractor and State will work together to define the needs which may include onsite/offsite support for go-live/post-go live activities.

6. The SOW includes both R4 rules engine system development lifecycle and rules engine maintenance operations change controls identified.
7. The Release 4 project scope of included change controls are listed below:
 - a. Change control 861 -Update Medicaid presumptive eligibility systems and processes to accept all MAGI categories.
 - b. Change control 769 - Maternity Outpatient Medical Services (MOMS) will be separated from presumptive, Emergency Services Only (ESO) will not be considered in presumptive, and PW and U19 will be determined in presumptive.
 - c. Change control 338- The MAGI Determination Service output will be included in the Bridges eligibility summary screen set. MAGI determination service is already complete with the outputs as part of CC420. This is support only functionality in R4 for MAGI to understand the requirements and providing program support Change Control 453 - Bridges case changes impacting a past period must be generated and sent to all impacted applications (MAGI, Eligibility Determination Benefit Calculation, and Medicaid Assistance). This is Bridges only scope. For MAGI, it is a support function for coordinated testing Change Control 693 - Retroactive Medicaid Assistance functionality added to MiBridges. This is identified as Bridges only requirement. MAGI rules engine will follow current process for determining eligibility.
 - d. Change Control 571 -When a MAGI exception occurs, downstream systems (e.g., Bridges, MiBridges, MAXSTAR) will be alerted if a result is expected. This functionality is already in place and further reduced by CC805 for handling most exceptions as pend. Remaining technical exceptions will be handled by Hub sending indicator to holding tanks and the application data to source systems.
 - e. Additional change controls as requested by the State
 - f. Refer to Attachment B for R4 Program requirements. Project requirements will be aligned to program requirements.
8. Contractor will support production rules engine maintenance and operations
9. Identified change controls where MAGI is required to provide impact to implement or provide testing support for maintenance operations for the contract time period April1, through June 30, 2014, are listed below.
 - a. CC221 -Utilize State Trusted Data for Income Validation
 - b. CC698 - Remove Plan First as a valid TOA in Bridges CC909 - Remedy: Pend occurs on all individuals from income
 - c. CC966 - MiChild renewal denials due to existing CHIP
 - d. CC956- Remedy Ticket 3620749- Alien Status Verification
 - e. CC945- The rules engine will not approve an applicant (lacks a physical address) that has a Michigan mailing address

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- g. CC824 - CMS: New FFMAT defects reported
 - h. CC936 - Need MAGI denial reasons as part of the output when not found eligible
 - i. CC868 - Remedy: Need to use Title II income from SSA to verify attested income
 - j. CC890 - Return the Rules and Outcomes information to SOM via NAS Device
 - k. CC855 - Exception Cannot be Corrected Manually
 - l. CC997- FFM Bi-Directional (Phase 1) SOM HUB- AT from FFM is different than State expected, and verification Metadata block is not being converted from 2.3 to 2.0.
 - m. CC1005- FFM Bi-Directional (Phase 1) SOM HUB- More than one tax return for tax filer on transfers from FFM. Testing support. CC979- HMP is being approved for children. Testing support.
 - n. CC971 -OCT apps are being received that do not contain enough information for MAGI determinations. Testing support.
 - o. CC1027- The R4 MAGI Rules Engine will not evaluate Plan First on retroactive applications
 - p. CC1055- MAGI should not pend entire group for unverified income
10. Production Support Meetings/Deployments
- a. Review Production Tickets, daily as distributed by Tier 2
 - b. Attend Tier 2 Triage Meetings three times a week
 - c. Attend Weekly Prioritization Meeting
 - d. Attend Weekly Release Coordination Meeting
 - e. Design, Construct, Test and Deploy prioritized change controls as identified.
11. The State reserves the right to modify the projects, change controls and defects identified for work. Changes will be managed through the established change control process.

Services and Deliverables to be Provided

A. Preliminary Analysis (a.k.a. Impact Analysis)

Impact Analysis results/response shall be provided consistent with a 48 hour objective for items deemed high priority and where practical. The Contractor will perform preliminary analysis/impact analysis as requested and prioritized by the State. The Contractor will provide a written impact statement to the State, propose alternative solutions and describe impacts to costs, schedule, resources and other Medicaid system components for proposed work, as well as impact to work in progress. Impact analysis will primarily be conducted for proposed changes, new/altered business requirements, new projects and defects. For the purpose of this SOW, system components includes hardware, software, interfaces, services, data, and databases.

Impact Analysis for identified production defects shall be conducted at no cost to the State, and will be addressed by CGI using the existing, planned team resources. The Contractor will communicate to the DTMB Project Manager any concerns about these activities impacting established timelines. If necessary to protect established timelines, the State will determine and communicate work priority to the Contractor.

B. Detailed Business and Technical Requirements

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(1)(A). Where appropriate, existing project deliverables will be updated to incorporate the Release 4 scope. Any SUITE template or deliverable waivers must be authorized by the DTMB Technology Owner.

Deliverable(s)

The Contractor will provide the requirements stated above, in Sect on 1.104(1)(A) of the Contract, and provide the following deliverables:

- Detailed Business Requirements

Statement of

FILENAME: sow cgi magi rules engine r3 012014 final tracked

- Business Requirements Document
- Approved Structured Walkthroughs for above documents

D. Application Design

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(1)(0). Where appropriate, existing project deliverables will be updated to incorporate the Release 4 scope. Any SUITE template or deliverable waivers must be authorized by the OTMB Technology Owner.

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(1)(0) of the Contract, and provide updates to the following deliverables that were produced during Release 1 and 2:

- Functional Design:
 - Functional Design Document
 - Requirements Specifications [Final]
 - Requirements Traceability Matrix [Updated]
 - Approved Structured Walkthrough for the above documents
- System Design:
 - Conversion Plan [if necessary]
 - Requirements Traceability Matrix [Updated]
 - System Design Document [Final]
 - Test Plan includes Test Type Approach and Reports [Initial]
 - Test Cases [Initial]
 - Approved Structured Walkthrough for the above documents

E. Application Development

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(1)(E). Where appropriate, existing project deliverables will be updated to incorporate the Release 4 scope. Any SUITE template or deliverable waivers must be authorized by the DTMB Technology Owner.

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(1)(E) of the Contract, and provide updates to the following deliverables that were produced during Release 1 and 2:

- Requirements Traceability Matrix [revised]
- Conversion Plan [revised]
- Test Cases [revised]
- Transition Plan [initial]
- Installation Plan [initial]
- Security Plan and Assessment [review and revise as necessary]
- Operating Documentation
 - Developer's Reference Manual
- Project Test Results File
- System units and modules
- Approved Structured Walkthroughs for above documents.

F.

The Contractor will provide the Requirements, Services and Deliverables and follow the State Roles and Contractor Approach as outlined in Contract Section 1.104(1)(F). Where appropriate, existing project deliverables will be updated to incorporate the Release 4 scope. Any SUITE template or deliverable waivers must be authorized by the DTMB Technology Owner.

The Contractor will continue to participate in "war room" testing activities, as requested, by the State, to enhance communication and promote intense collaboration to remediate discovered testing defects.

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(1)(F) of the Contract, and provide updates to the following deliverables that were produced during Release 1 and 2:

- Requirements Traceability Matrix [final]
- Conversion Plan [revised]
- Test Type Approach and Reports (final)
 - Integration test reports
 - System test reports
 - User Acceptance test report
- Test Cases [final]
- Transition Plan [revised]
- Installation Plan [final]
- Security Plan and Assessment (review and revise as necessary)
- Operating Documentation [final]
 - Developer's Reference Manual

G. Implementation

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(1)(G). Where appropriate, existing project deliverables will be updated to incorporate the Release 4 scope. Any SUITE template or deliverable waivers must be authorized by the DTMB Project Manager.

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(1)(G) of the Contract, and provide updates to the following deliverables that were produced during Release 1 and 2:

- Services to implement the application, including:
 - Data conversion (if necessary)
 - Data migration (if necessary)
 - Configuration
 - Customization
 - Interfaces/Integration
- Conversion Plan [final]
- Transition Plan [final]
- Security Plan and Assessment [revise and finalize]
- Converted data or system files (if necessary)
- Installation Test materials
- Operating documents
- Operational software product

H. Training

The Contractor will provide the Requirements, Services and Deliverables and follow the State Roles and Contractor Approach as outlined in Contract Section 1.104(1)(H). Where appropriate, existing project deliverables will be updated to incorporate the Release 4 scope. Any SUITE template or deliverable waivers must be authorized by the DTMB Project Manager.

If initial training has not occurred as outlined in the Contract, the new functionality will be trained with the "initial training". If the initial training has already occurred, the Contractor will provide updated training sessions for the State.

Deliverable(s)

At a minimum the Contractor will provide the requirements stated above and provide and update the deliverables in Contract Section 1.104(1)(H).

I. Documentation

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(1)(I). Where appropriate, existing project deliverables will be updated to incorporate the Release 4 scope. Any SUITE template or deliverable waivers must be authorized by the DTMB Project Manager.

J. Operation Services

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(1)(J). Where appropriate, existing project deliverables will be updated to incorporate the Release 4 scope. Any SUITE template or deliverable waivers must be authorized by the DTMB Project Manager.

K. Maintenance and Support

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(1)(K). Where appropriate, existing project deliverables will be updated to incorporate the Release 4 scope. Any SUITE template or deliverable waivers must be authorized by the DTMB Project Manager.

L. Knowledge Transfer/Transition

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(1)(L). Where appropriate, existing project deliverables will be updated to incorporate the Release 4 scope. Any SUITE template or deliverable waivers must be authorized by the DTMB Project Manager.

ASSUMPTIONS:

- The scope inclusion in each release shall be defined and by the Medicaid Compliance Program level scope and requirements, further delineated during R4 project requirements sessions.
- Implementation dates are determined by the State and subject to change at the discretion of the State. This SOW is based upon scope and requirements as of April 1, 2014. This SOW is based on a target implementation of Release 4 no later than June 30, 2014. Scope and requirement changes made by the State will be accommodated through the established change control process.
- There is no requirement for additional hardware or software procurement for MAGI Rules Engine for R4 identified within this SOW.
- There is a need for the Contractor to continue to support production deployments concurrently with R4 development.
- Current resources supporting R3 will continue to support R4.

- Ongoing support for Release 3, Release 4 will be provided to support an implementation date planned for the week of June 20, 2014.
- CGI and the State will mutually agree to a payment schedule for Release 4 Implementation.
- At the time of this SOW, no changes are projected with regards to the Security Plan and Assessment as outlined within the Deliverables.
- Service and Deliverables item H, Training, is not planned for R4.
- Service and Deliverables item L, Knowledge Transfer/Transition is not planned for R4.
- Work will be planned for both onsite and offsite as appropriate to successfully provide deliverables and services defined in this amendment.

TASKS:

The Contractor will coordinate with the State on the necessary tasks to complete the scope of work. At a minimum, the Contractor and State will comply with the Contractor Approach as outlined in the application Sections of the Contract under 1.104 Work and Deliverables.

Contractor will provide detailed project schedule based on scope of work and in alignment to program schedule to complete this initiative by April 30, 2014.

DELIVERABLES:

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them.

ACCEPTANCE CRITERIA:

Acceptance criteria shall be governed by the Contract.

PROJECT CONTROL AND REPORTS:

Contractor will submit progress reports as described in the in the contract.

SPECIFIC AGENCY STANDARDS:

None identified.

PAYMENT SCHEDULE:

Other Services as described in Section 1.104(1) (M) Table 4 of the Contract will fund this Statement of Work. Payment will be made on a fixed cost basis in accordance with the deliverable schedule as shown below. Work allocation is based upon a high level estimate of projected activity:

- 40% Release 4
- 60% Production Support

Payment	Deliverable	Amount
30% upon Stage exit of the following SUITE phases:		
1	<ul style="list-style-type: none"> • Detail Business Requirements • Application Design • Application Development 	\$476,795
2	30% upon Stage Exit of the following SUITE phases: <ul style="list-style-type: none"> • Testing 	\$476,795
3	40% upon Stage Exit of the following SUITE phases: <ul style="list-style-type: none"> • Implementation Documentation-Written Deliverables Only	\$635,726
Total Cost		\$1,589,316

AGREEMENT:

Processing through and acceptance by the Department of Community Health and Department of Technology, Management & Budget, Purchasing Office, may be required to finalize this Statement of Work and amend the Contract prior to issuance of a purchase order.

AGREED TO: STATE OF MICHIGAN, DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

By: *Kimberly Woods*
Kimberly Koppsch-Woods, Business Relationship Manager

Date: 5/30/14

By: *Linda Pung*
Linda Pung, General Manager

Date: 5/30/14

AGREE::?t1:£Zs .AN IO

NS, INC.

Richard Crosby, Director

[Signature]

Date: 5/30/14

APPENDIX A

These are effective as of April⁵¹.2014

- R4 Program Charter

PMM-0002 R4
Project Charter.docx

- R4 Program Requirements

R4 MCP Program
Requirements SEM-4(

R4 Project Requirements Traceability Matrix **(RTM)**

111

R4 Requirements
Traceability Matrix -

Statement of Work, Contract# 07183200100

FILENAME: sow cgi-magi rules engine r4_sow_v053014 final tracked

Page 10 of 10

Statement of Work, Contract # 071B3200100

FILENAME: SOW_Amend1_CGI Magi R4 RebaseLine Revised Staff MthExt_CR1060

Page 11



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

**for
Modified Adjusted Gross Income (MAGI) Eligibility Determination Service**

STATEMENT OF WORK

This purchase order is a release from Contract #071B3200100 (“Contract”) between CGI Technologies and Solutions, Inc. (“Contractor” or “Vendor”) and the Department of Technology, Management & Budget (DTMB) and Department of Community Health (DCH), collectively referred to as “State”. The purchase order, statement of work, and the terms and conditions of the Contract constitute the entire agreement between the State and the Contractor.

Project Title: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service	Period of Coverage: April 1, 2014 – March 31, 2015
Requesting Agency: Department of Community Health	Date: June 5, 2014
Agency Project Manager: Karen Parker	Phone: (517) 241-5555
DTMB Project Manager: Kimberly Koppesch-Woods	Phone: (517) 284-7156
Contract Information: CGI Technologies and Solutions, Inc. Contract #071B3200100	Change Request (CR) #: 861, 769, 338, 571, 1090
Attachments: MCP Release 4Charter – Program Level MCP Release 4 Program Level Requirements	

MCP Release 4 – Amendment to Statement of Work for CR 861,496,338,571 signed 05/30/14

Due to the State of Michigan (SOM) request to extend R4 due to delay by Bridges, CGI is required to re-baseline the project plan and revise staffing plan. Effect of extended time frame for coverage and budgetary changes of an additional \$498,921 from the MAGI Rules Engine. Changes to this SOW are as follows:

1. Page 1, Section of Change Request #: added 1090
2. Page 1, Paragraph 1: description of amendment purpose and list of changes made
3. Page 2, Section “BRIEF DESCRIPTION OF SERVICES TO BE PROVIDED” paragraph 1: (Extended to July 31, 2014) added.
4. Page 2, Section “BACKGROUND” Third Sentence, date extended from March 31 to July 31, 2014.
5. Page 2, Section “Scope of Work” Solution Overview 1 and 2, date extended from March 31 to July 31, 2014.
6. Page 3, Section “Scope of Work” Solution Overview 9, date extended from March 31 to July 31, 2014.
7. Page 7, Section “ASSUMPTIONS” Bullet 2: June 30 changed to July 31
8. Page 7, Section “ASSUMPTIONS” Bullet 6: date changed from last week of June to last week of July.
9. Page 8, Section “PAYMENT SCHEDULE” Cost Table:
 - a. Payment 1 and 2 increased from \$476,795 to \$626,472
 - b. Payment 3 increased from \$635,726 to \$835,293
 - c. Total cost increased from \$1,589,316 to 2,088,237 (an increase of \$498,921)

BRIEF DESCRIPTION OF SERVICES TO BE PROVIDED:

Identification of scope required for the Medicaid Compliance Program (MCP) development services in support of presumptive eligibility and system enhancements functionality, deferred functionality from previous releases, and new functional needs discovered during the Medicaid Compliance Program (MCP) life span, to be referred to as “Release 4 (extended to July 31, 2014)” or “R4”.

BACKGROUND:

The State of Michigan (SOM) is under contract with Contractor to implement a rules engine utilizing rules from the Patient Protection and Affordable Care Act (PPACA or ACA) under the modified adjusted gross income (MAGI). As required under the Contract, the business and technical scope was identified with the responding Contractor approach. Scope was defined through October 1, 2013, and extended through July 31, 2014. Further IT services scope has been identified beyond March 31, 2014, and is included herein.

PROJECT OBJECTIVE:

The purpose of Release 4 is to provide eligibility services for presumptive functionality and other systems enhancements and deferred functionality from previous releases. The main program objectives of Release 4 implementation are based on five functionalities:

- Presumptive eligibility for all relevant categories
- Retroactive eligibility
- Auto Certification
- MAGI exception handling
- Systems enhancements

Refer to Attachment A for R4 program charter that contains additional details.

SCOPE OF WORK:

Solution Overview

30. This Statement of Work covers the term April 1, 2014, through July 31, 2014.
31. The solution referred to as “Presumptive Eligibility and System Enhancements”, “Release 4” or “R4” must be installed and in operation by July 31, 2014. Planning for this release will be based on the scope and assumptions documented in this SOW.
32. Contractor and SOM will adhere to the mutually agreed upon schedule.
33. Contractor will support testing, including user acceptance testing of integrated components, performance testing, project level and program level testing.

Contractor will support all “WAR” room activities.

Contractor and State will work together to define the needs which may include onsite/offsite support for go-live/post-go-live activities.

The SOW includes both R4 rules engine system development lifecycle and rules engine maintenance operations change controls identified.

The Release 4 project scope of included change controls are listed below:

- a. Change control 861 -Update Medicaid presumptive eligibility systems and processes to accept all MAGI categories.
- b. Change control 769 - Maternity Outpatient Medical Services (MOMS) will be separated from presumptive, Emergency Services Only (ESO) will not be considered in presumptive, and PW and U19 will be determined in presumptive.
- c. Change control 338 - The MAGI Determination Service output will be included in the Bridges eligibility summary screen set. MAGI determination service is already complete with the outputs as part of CC420. This is support only functionality in R4 for MAGI to understand the requirements and providing program support. Change Control 453 - Bridges case changes impacting a past period must be generated and sent to all impacted applications (MAGI, Eligibility Determination Benefit Calculation, and Medicaid Assistance). This is Bridges only scope. For MAGI, it is a support function for coordinated testing. Change Control 693 - Retroactive Medicaid Assistance functionality added to MiBridges. This is identified as Bridges only requirement. MAGI rules engine will follow current process for determining eligibility.
- d. Change Control 571 - When a MAGI exception occurs, downstream systems (e.g., Bridges, MiBridges, MAXSTAR) will be alerted if a result is expected. This functionality is already in place and further reduced by CC805 for handling most exceptions as pend. Remaining technical exceptions will be handled by Hub sending indicator to holding tanks and the application data to source systems.
- e. Additional change controls as requested by the State
- f. Refer to Attachment B for R4 Program requirements. Project requirements will be aligned to program requirements.

Contractor will support production rules engine maintenance and operations

Identified change controls where MAGI is required to provide impact to implement or provide testing support for maintenance operations for the contract time period April 1, through July 31, 2014, are listed below.

- g. CC221 - Utilize State Trusted Data for Income Validation
- h. CC698 - Remove Plan First as a valid TOA in Bridges. CC909 - Remedy: Pend occurs on all individuals from income
- i. CC966 - MiChild renewal denials due to existing CHIP
- j. CC956 - Remedy Ticket 3620749 - Alien Status Verification
- k. CC945 - The rules engine will not approve an applicant (lacks a physical address) that has a Michigan mailing address
- l. CC779 - CMS: FFM Account Transfers Requirements Clarifications
- m. CC824 - CMS: New FFM AT defects reported
- n. CC936 - Need MAGI denial reasons as part of the output when not found eligible
- o. CC868 - Remedy: Need to use Title II income from SSA to verify attested income
- p. CC890 - Return the Rules and Outcomes information to SOM via NAS Device
- q. CC855 - Exception Cannot be Corrected Manually
- r. CC997 - FFM Bi-Directional (Phase 1) SOM HUB - AT from FFM is different than State expected, and verificationMetaData block is not being converted from 2.3 to 2.0.
- s. CC1005 - FFM Bi-Directional (Phase 1) SOM HUB - More than one tax return for tax filer on transfers from FFM. Testing support. CC979 - HMP is being approved for children. Testing support.
- t. CC971 - DCT apps are being received that do not contain enough information for MAGI determinations. Testing support.
- u. CC1027 - The R4 MAGI Rules Engine will not evaluate Plan First on retroactive applications
- v. CC1055 - MAGI should not pend entire group for unverified income

Production Support Meetings/Deployments

- w. Review Production Tickets, daily as distributed by Tier 2

- x. Attend Tier 2 Triage Meetings three times a week
- y. Attend Weekly Prioritization Meeting
- z. Attend Weekly Release Coordination Meeting
- aa. Design, Construct, Test and Deploy prioritized change controls as identified.

The State reserves the right to modify the projects, change controls and defects identified for work. Changes will be managed through the established change control process.

Services and Deliverables to be Provided

A. Preliminary Analysis (a.k.a. Impact Analysis)

Impact Analysis results/response shall be provided consistent with a 48 hour objective for items deemed high priority and where practical. The Contractor will perform preliminary analysis/impact analysis as requested and prioritized by the State. The Contractor will provide a written impact statement to the State, propose alternative solutions and describe impacts to costs, schedule, resources and other Medicaid system components for proposed work, as well as impact to work in progress. Impact analysis will primarily be conducted for proposed changes, new/altered business requirements, new projects and defects. For the purpose of this SOW, system components includes hardware, software, interfaces, services, data, and databases.

Impact Analysis for identified production defects shall be conducted at no cost to the State, and will be addressed by CGI using the existing, planned team resources. The contractor will communicate to the DTMB Project Manager any concerns about these activities impacting established timelines. If necessary to protect established timelines, the State will determine and communicate work priority to the Contractor.

B. Detailed Business and Technical Requirements

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(A). Where appropriate, existing project deliverables will be updated to incorporate the Release 4 scope. The contractor may use SUITE in the cases where it is practical, and does not incur additional costs. Final determinations regarding this will be made as early as practicable and agreed upon with the DTMB Project Manager. Any deliverable waivers must be agreed upon with DTMB.

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(I)(A) of the Contract, and provide the following deliverables:

- Detailed Business Requirements
 - Requirements Traceability Matrix [New]
 - Business Requirements Document
- Approved Structured Walkthroughs for above documents

D. Application Design

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(D). Where appropriate, existing project deliverables will be updated to incorporate the Release 4 scope. The contractor may use SUITE in the cases where it is practical, and does not incur additional costs. Final determinations regarding this will be made as early as practicable and agreed upon with the DTMB Project Manager. Any deliverable waivers must be agreed upon with DTMB.

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(I)(D) of the Contract, and provide updates to the following deliverables that were produced during Release 1 and 2:

- Functional Design:
 - Functional Design Document
 - Requirements Specifications [Final]
 - Requirements Traceability Matrix [Updated]

- Approved Structured Walkthrough for the above documents
- System Design:
 - Conversion Plan [if necessary]
 - Requirements Traceability Matrix [Updated]
 - System Design Document [Final]
 - Test Plan includes Test Type Approach and Reports [Initial]
 - Test Cases [Initial]
 - Approved Structured Walkthrough for the above documents

E. Application Development

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(E). Where appropriate, existing project deliverables will be updated to incorporate the Release 4 scope. The contractor may use SUITE in the cases where it is practical, and does not incur additional costs. Final determinations regarding this will be made as early as practicable and agreed upon with the DTMB Project Manager. Any deliverable waivers must be agreed upon with DTMB.

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(I)(E) of the Contract, and provide updates to the following deliverables that were produced during Release 1 and 2:

- Requirements Traceability Matrix [revised]
- Conversion Plan [revised]
- Test Cases [revised]
- Transition Plan [initial]
- Installation Plan [initial]
- Security Plan and Assessment [review and revise as necessary]
- Operating Documentation
 - Developer's Reference Manual
- Project Test Results File
- System units and modules
- Approved Structured Walkthroughs for above documents.

F. Testing

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(F). Where appropriate, existing project deliverables will be updated to incorporate the Release 4 scope. The contractor may use SUITE in the cases where it is practical, and does not incur additional costs. Final determinations regarding this will be made as early as practicable and agreed upon with the DTMB Project Manager. Any deliverable waivers must be agreed upon with DTMB.

The Contractor will continue to participate in “war room” testing activities, as requested, by the State, to enhance communication and promote intense collaboration to remediate discovered testing defects.

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(I)(F) of the Contract, and provide updates to the following deliverables that were produced during Release 1 and 2:

- Requirements Traceability Matrix [final]
- Conversion Plan [revised]
- Test Type Approach and Reports [final]
- Integration test reports
- System test reports
- User Acceptance test report
- Test Cases [final]

- Transition Plan [revised]
- Installation Plan [final]
- Security Plan and Assessment [review and revise as necessary]
- Operating Documentation [final]
 - Developer's Reference Manual

G. Implementation

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(G). Where appropriate, existing project deliverables will be updated to incorporate the Release 4 scope. The contractor may use SUITE in the cases where it is practical, and does not incur additional costs. Final determinations regarding this will be made as early as practicable and agreed upon with the DTMB Project Manager. Any deliverable waivers must be agreed upon with DTMB.

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(I)(G) of the Contract, and provide updates to the following deliverables that were produced during Release 1 and 2:

- Services to implement the application, including:
 - Data conversion (if necessary)
 - Data migration (if necessary)
 - Configuration
 - Customization
 - Interfaces/Integration
- Conversion Plan [final]
- Transition Plan [final]
- Security Plan and Assessment [revise and finalize]
- Converted data or system files (if necessary)
- Installation Test materials
- Operating documents
- Operational software product

H. Training

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(H). Where appropriate, existing project deliverables will be updated to incorporate the Release 4 scope. The contractor may use SUITE in the cases where it is practical, and does not incur additional costs. Final determinations regarding this will be made as early as practicable and agreed upon with the DTMB Project Manager. Any deliverable waivers must be agreed upon with DTMB.

If initial training has not occurred as outlined in the Contract, the new functionality will be trained with the "initial training". If the initial training has already occurred, the Contractor will provide updated training sessions for the State.

Deliverable(s)

At a minimum the Contractor will provide the requirements stated above and provide and update the deliverables in Contract Section 1.104(I)(H).

I. Documentation

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(I) as modified by mutual agreement during the course of Release 1 and Release 2 project execution. Where appropriate, existing project deliverables will be updated to incorporate the Release 4 scope.

J. Operation Services

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(J) as modified by mutual agreement during the course of Release 1 and Release 2 project execution. Where appropriate, existing project deliverables will be updated to incorporate the Release 4 scope.

K. Maintenance and Support

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(K) as modified by mutual agreement during the course of Release 1 and Release 2 project execution. Where appropriate, existing project deliverables will be updated to incorporate the Release 4 scope.

L. Knowledge Transfer/Transition

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(L) as modified by mutual agreement during the course of Release 1 and Release 2 project execution. Where appropriate, existing project deliverables will be updated to incorporate the Release 4 scope.

ASSUMPTIONS:

The scope inclusion in each release shall be defined and by the Medicaid Compliance Program level scope and requirements, further delineated during R4 project requirements sessions.

Implementation dates are determined by the State and subject to change at the discretion of the State. This SOW is based upon scope and requirements as of April 1, 2014. This SOW is based on a target implementation of Release 4 no later than July 31, 2014. Scope and requirement changes made by the State will be accommodated through the established change control process..

There is no requirement for additional hardware or software procurement for MAGI Rules Engine for R4 identified within this SOW.

There is a need to continue support production deployments (R2 and R3), concurrently with R4 development. Current resources supporting R3 will continue to support R4.

Ongoing support for Release 3, Release 4 will be provided to support an implementation date planned for the last week of July, 2014.

CGI and the State will mutually agree to a payment schedule for Release 4 Implementation.

At the time of this SOW, no changes are projected with regards to the Security Plan and Assessment as outlined within the Deliverables.

Service and Deliverables item H, Training, is not planned for R4.

Service and Deliverables item L, Knowledge Transfer/Transition is not planned for R4.

Work will be planned for both onsite and offsite as appropriate to successfully provide deliverables and services defined in this amendment.

TASKS:

The Contractor will coordinate with the State on the necessary tasks to complete the scope of work. At a minimum, the Contractor and State will comply with the Contractor Approach as outlined in the application Sections of the Contract under 1.104 Work and Deliverables.

Contractor will provide detailed project schedule based on scope of work and in alignment to program schedule to complete this initiative by April 2014.

DELIVERABLES:

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them.

ACCEPTANCE CRITERIA:

Acceptance criteria shall be governed by the Contract.

PROJECT CONTROL AND REPORTS:

Contractor will submit progress reports as described in the in the contract.

SPECIFIC AGENCY STANDARDS:

None identified.

PAYMENT SCHEDULE:

Other Services as described in Section 1.104(l) (M) Table 4 of the Contract will fund this Statement of Work. Payment will be made on a fixed cost basis in accordance with the deliverable schedule as shown below:

Work allocation is based upon a high level estimate of projected activity:

40% Release 4

60% R2, R3 Production Support (including CC956 ESO moved to production support)

Payment	Deliverable	Amount
1	30% upon Stage exit of the following SUITE phases: <ul style="list-style-type: none"> • Detail Business Requirements • Application Design • Application Development \$476,795 + Ext \$149,677 	\$626,472
2	30% upon Stage Exit of the following SUITE phases: <ul style="list-style-type: none"> • Testing \$476,795 + Ext \$149,677 	\$626,472
3	40% upon Stage Exit of the following SUITE phases: <ul style="list-style-type: none"> • Implementation • Documentation – Written Deliverables Only \$635,726 + Ext \$199,567 	\$835,293
Total Cost \$1,589,316 + Ext \$498,921		\$2,088,237

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

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

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Karen Parker
Michigan Department of Community Health
(517) 241-5555
Parkerk7@michigan.gov

The designated DTMB Project Manager is:

Kimberly Koppsch-Woods
Michigan Department of Technology, Management and Budget
Customer Service supporting Department of Community Health, Medicaid Compliance Program
(517) 284-7156
koppsch-woodsk@michigan.gov

DTMB/AGENCY RESPONSIBILITIES:

Provide detailed requirements and respond promptly to follow up questions.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

The Contract governs Work Location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

The Contract governs Work Hours and Conditions.

RIGHT TO OWNERSHIP:

The Contract governs Right to Ownership.

AGREEMENT:

Processing through and acceptance by the Department of Community Health and Department of Technology, Management & Budget, Purchasing Office, may be required to finalize this Statement of Work and amend the Contract prior to issuance of a purchase order.

AGREED TO: STATE OF MICHIGAN, DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

By: _____
Kimberly Koppesch-Woods, Business Relationship Manager

Date: _____

By: _____
Linda Pung, General Manager

Date: _____

AGREED TO: CGI TECHNOLOGIES AND SOLUTIONS, INC.

By: _____
Richard Crosby, Director

JUNE 25, 2014
Date: _____

APPENDIX A

These are effective as of April 1st.2014

- R4 Program Charter



PMM-0002 R4
Project Charter.docx

- R4 Program Requirements



R4 MCP Program
Requirements SEM-4C

R4 Project Requirements Traceability Matrix (RTM)



R4 Requirements
Traceability Matrix - A

AUTHORITY: Act 431 of 1984
 COMPLETION: Required
 PENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 4
 to
CONTRACT NO. 071B3200100
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
CGI Technologies and Solutions Inc. 11325 Random Hills Road Fairfax, VA 22030-6051	Richard Crosby	Richard.crosby@cgi.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(618) 719-6714	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Larry Lemieux	(517) 241-4547	LemieuxL@michigan.gov
BUYER	DTMB	David Hatch	(517) 284-	hatchD@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
5/31/2013	5/30/2016	2 One-Year	5/30/2016
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>	N/A	5/30/2016
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		

\$0.00

\$12,476,930.00

Effective immediately, this Contract is amended to utilize \$750,739.59 of funding from the Reserved Bank of Hours for the attached Statement of Work for Project Change Requests #674 and #814 per the incorporated payment schedule and cost tables.

All other terms, conditions, specifications and pricing remain unchanged. Per vendor and agency agreement and DTMB Procurement approval..

PAYMENT SCHEDULE:

	Deliverable	Amount
Table 1: Recurring Maintenance and Support Costs: Test and UAT Environments	Change Request #674 <ul style="list-style-type: none">• This total cost is calculated from recurring amounts of \$18,677.17.• Per the proposed schedule, 27 monthly fee periods will be incurred in the 3-year base contract term (anticipated begin date 3/1/14).• These services will be Maintenance and Support services and will commence the month the deliverable is implemented and accepted by the State.• The State is liable for these Recurring Maintenance and Support fees related to this Change Request.• The State may revoke the need for or reduce the number of environments with thirty (30) days written notice to the Vendor, at no penalty to the State or further cost to the State.	\$504,283.59
Table 1: Recurring Maintenance and Support Costs	Change Request #814 <ul style="list-style-type: none">• This total cost is calculated from recurring amounts of \$9,128.00.• Per the proposed schedule, 27 monthly fee periods will be incurred in the 3-year base contract term (anticipated begin date 3/1/14).• These services will be Maintenance and Support services and will commence the month the deliverable is implemented and accepted by the State.• The State is liable for Recurring Maintenance and Support fees related to this Change Request.	\$246,456.00
Total Cost		\$750,739.59

Change Notice #4

Attachment D – Contract Pricing
MAGI Eligibility Service

Table 1: Summary Cost Table for MAGI Eligibility Service

MAGI Eligibility – Contractor Provided Summary Costs	Cost (\$)	Comments
Hardware	<i>SaaS Solution</i>	
Software (Table 2)	\$1,034,110	
Work & Deliverable Costs (Table 3)	\$3,243,300	<ul style="list-style-type: none"> This is established as part of the contract baseline and Change Notice #1, payment milestones are outlined in Table 3. Payment is contingent on all Work & Deliverables completed prior to 10/01/2013. Any changes within the Work and Deliverables 10/01/2013 schedule must be mutually agreed upon in a written Change Order contract. If a new schedule is agreed upon for specific sections, the associated costs will be defined in the Change Order and payment withheld based on the new Change Order schedule. As part of Change Notice #1, Table 3 has been modified to include \$38,000 to install the circuit. As well as \$60,000 for contingency dollars that can be made available for additional installation or ongoing circuit charges.
Work & Deliverable Costs (Table 5)	\$146,750	<ul style="list-style-type: none"> This is established as part of Change Notice #2 (Project Change Request #259), payment milestones are outlined in Table 5. Any changes within the Work and Deliverables schedule must be mutually agreed upon in a written Change Order contract. If a new schedule is agreed upon for specific sections, the associated costs will be defined in the Change Order and payment withheld based on the new Change Order schedule.
Work & Deliverable Costs (Table 6)	\$1,761,009	<ul style="list-style-type: none"> This is established as part of Change Notice #3, payment milestones are outlined in Table 6. Any changes within the Work and Deliverables schedule must be mutually agreed upon in a written Change Order contract. If a new schedule is agreed upon for specific sections, the associated costs will be defined in the Change Order and payment withheld based on the new Change Order schedule.
Operations	\$2,024,400	<ul style="list-style-type: none"> This total cost is calculated from recurring amounts of \$72,300. Per the proposed schedule, 28 monthly fee periods will be incurred in the 3-year base contract term. Operational services will commence upon the “go-live” date, which is scheduled 10/1/2013. The State is liable for the Operation Service fees commencing on 1/1/2014 if the solution has been implemented. The warranty period starts 10/1/2013 and thus that final acceptance is tied to this date. Contractor has costs for support during the Q4 period, but has structured the pricing to start monthly billings Jan 2014, to align with the anticipated complete of Warranty.

Circuit Charges	\$536,962.00	<ul style="list-style-type: none"> This total cost is calculated from recurring amounts of \$15,793 for total circuits. Per the proposed schedule, 34 monthly fee periods will be incurred in the 3-year base contract term.
Recurring Maintenance and Support Costs	\$603,120	<ul style="list-style-type: none"> This total cost is calculated from recurring amounts of \$21,540. Per the proposed schedule, 28 monthly fee periods will be incurred in the 3-year base contract term. Maintenance and Support services will commence upon the “go-live” date, which is scheduled 10/1/2013. The State is liable for the Recurring Maintenance and Support fees commencing on 1/1/2014 if the solution has been implemented.
Recurring Maintenance and Support Costs: UAT and Test Environments	\$504,283.59	<ul style="list-style-type: none"> This is established as part of Change Notice #4. This cost is calculated from recurring amounts of \$18,677.17 per month. Per the proposed schedule, 27 monthly fee periods will be incurred in the 3-year base contract term. Maintenance and Support Services: UAT and Test Environments will commence upon 3/1/2014. The State is liable for the Recurring Maintenance and Support: UAT and Test Environment fees commencing on 3/1/2014.
Recurring Maintenance and Support Costs: Memory	\$246,456	<ul style="list-style-type: none"> This is established as part of Change Notice #4. This cost is calculated from recurring amounts of \$9,128 per month. Per the proposed schedule, 27 monthly fee periods will be incurred in the 3-year base contract term. Maintenance and Support Services: Memory will commence upon 3/1/2014. The State is liable for the Recurring Maintenance and Support: Memory fees commencing on 3/1/2014.
Total Vendor Provided Solution Cost	\$10,100,390.59	
Other Optional Costs <i>(Table 4)</i>	\$2,376,539.41	<ul style="list-style-type: none"> This budgetary item includes 35,000 staffing hours available for use at the option of the State of Michigan based upon a non-weighted blended rate of \$162 per hour, totaling \$5,670,000. This is reduced by \$634,962 based on the changes as documented in Change Notice #1 This is reduced by \$146,750 based on the changes as documented in Change Notice #2 This is reduced by \$1,761,009 based on the changes as documented in Change Notice #3 This is reduced by \$750,739.59 based on the changes as documented in Change Notice #4
Total Vendor Provided Solution Cost with Optional Costs	\$12,476,930	

Change Notice #1 Summary:

- “Work & Deliverable Costs (Table 3)” increased by \$98,000; moved from “Other Optional Costs.”
- “Circuit Charges” section added in the amount of \$634,962; moved from “Other Optional Costs.”
- “Total Vendor Provided Solution Cost” increased by \$634,962.
- “Other Optional” Costs reduced by \$634,962.

Change Notice #2 Summary:

- “Work & Deliverable Costs (Table 5)” established in the amount of \$146,750 as part of Change Notice #2, payment milestones outlined in Table 5; moved from “Other Optional Costs.”
- “Total Vendor Provided Solution Cost” increased by \$146,750.
- “Other Optional” Costs reduced by \$146,750.

Change Notice #3 Summary:

- “Work & Deliverable Costs (Table 6)” established in the amount of \$1,761,009 as part of Change Notice #3, payment milestones outlined in Table 6; moved from “Other Optional Costs.”
- “Total Vendor Provided Solution Cost” increased by \$1,761,009.
- “Other Optional” Costs reduced by \$1,761,009.

Change Notice #4 Summary:

- “Recurring Maintenance and Support Costs: UAT and Test Environments)” established in the amount of \$504,283.59 (\$18,677.17 per month for 27 months) as part of Change Notice #4, moved from “Other Optional Costs.”
- “Recurring Maintenance and Support Costs: Memory” established in the amount of \$246,456 (\$9,128 per month for 27 months) as part of Change Notice #4, moved from “Other Optional Costs.”
- “Total Vendor Provided Solution Cost” increased by \$750,739.59.
- “Other Optional” Costs reduced by \$750,739.59.

Change Notice #4

Table 2: Software Licensing Cost

Software Description	Manufacturer	License Type (perpetual, subscription)	License Basis (enterprise, users, CPU, etc.)	Number of Licenses Required	Total One-Time License Cost
Oracle Policy Automation - Enterprise ¹	Oracle	Perpetual	Enterprise Operating Budget	1	\$ 771,653
Oracle Policy Modeling - Application User Perpetual	Oracle	Perpetual	Users	5	155,137
JBOSS Enterprise SOA Platform with Management, Premium	RedHat	Subscription	Core	2 16-core licenses	47,059
ALMComplete Perpetual - Concurrent User License	SmartBear	Perpetual	Concurrent Users	6	10,588
LoadComplete - Design Seat - Floating License	SmartBear	Perpetual	Floating	3	3,526
LoadComplete - Load Controller - Node-Locked License w/ 10,000 Virtual Users	SmartBear	Perpetual	Virtual Users - 10k pack	1	42,706
SoapUI-Pro Named User Subscription License	SmartBear	Subscription	Named User	3	3,441
TOTAL SOFTWARE LICENSE COST :					\$ 1,034,110

Enterprise pricing for Oracle Policy Automation is based on combined LARA/DCH/DHS Operating budget and allows full use limited to the MAGI/CHIP project by LARA, DCH, and DHS.

Change Notice #4

Table 3: Work & Deliverable Costs

These work and deliverable costs reflect the contract baseline and Change Notice #2.

A	Detail Business Requirements	\$743,902.00
B	Hardware (Note this does not include actual hardware costs)	
C	Software (Note this does not include actual software costs which are included in table 2)	
D	Application Design	\$270,510.00
E	Application Development	\$175,832.00
F	Testing	\$162,306.00
G	Implementation	\$1,352,550.00
H	Training	\$172,900.00
I	Documentation	\$172,900.00
L	Knowledge Transfer/Transition	\$94,400.00

M	MPLS Circuit	\$38,000.00
	Contingency dollars that can be made available for additional installation or ongoing circuit charges related to CN#1.	\$60,000.00
		\$3,243,300.00

The Contractor will invoice the State upon State acceptance of the deliverables within payment milestone.

Change Notice #4

Table 4: Other Optional Costs

(Agency to add any additional services and software to be required)

Roles	Total # of hours	Not-to-Exceed Hourly Rate (\$)	Total cost (\$)
1. Project Management		\$250.00	
2. Technical Lead		\$240.00	
3. Business Analysts		\$120.00	
4. System Analysts		\$150.00	
5. Programmer/Developers		\$120.00	
6. System Administrators		\$110.00	
7. Database Administrators		\$150.00	
8. Q/A Manager		\$150.00	
9. Security Specialist		\$240.00	
10. Testers		\$110.00	
11. Technical Writers		\$80.00	
12. CM Specialists		\$110.00	
13. System Architects		\$240.00	
14. Network Engineer/Administrator		\$100.00	
15. Software Architects		\$170.00	
16. Project Assistants		\$60.00	
17. Web Developers		\$110.00	
18. Application Trainers		\$80.00	
Others: (List below)			
19. OPA Specialist		\$330.00	
20. Senior Consultant		\$320.00	

The non-weighted blended rate for the positions listed in Table 5 equates to \$162.00 per hour. This blended rate was multiplied by the 35,000 estimated hours to provide the \$5,670,000 amount that has been included in the summary cost table. This is not a commitment from the State for future Change Requests.

As outlined in Section 2.024, scope and price of potential Change Requests will be mutually agreed to by the State and Contractor, and the price of any such Change Requests will be determined by the number of hours required by position and the associated position-specific rates.

Beginning Value: \$5,670,000 (35,000 estimated hours @ \$162.00 per hour)

- The value is reduced by \$634,962 based on the changes as documented in Change Notice #1.
- The value is reduced by \$146,750 based on the changes as documented in Change Notice #2.

- The value is reduced by \$1,761,009 based on the changes as documented in Change Notice #3.
- The value is reduced by \$750,739.59 based on the changes as documented in Change Notice #4.

Ending Value: \$2,376,539.41

Change Notice #4

Table 5: Work & Deliverable Costs

These work and deliverable costs reflect Change Notice #2.

Project Change Request #259:

1	Upon satisfactory acceptance of the following deliverables: <ul style="list-style-type: none"> • Detail Business Requirements • Application Design 	\$18,601
2	Upon satisfactory acceptance of the following deliverables: <ul style="list-style-type: none"> • Application Development 	\$12,092
3	Upon satisfactory acceptance of the following deliverables: <ul style="list-style-type: none"> • Testing 	\$11,161
4	Upon satisfactory acceptance of the following deliverables: <ul style="list-style-type: none"> • Implementation 	\$93,007
5	Upon satisfactory acceptance of the following deliverables: <ul style="list-style-type: none"> • Documentation 	\$11,889
Total		\$146,750

The Contractor will invoice the State upon State acceptance of the deliverables within payment milestone.

Change Notice #4

Table 5: Work & Deliverable Costs

These work and deliverable costs reflect Change Notice #3.

Release 1&2 (25% of Total Amount):

1	Release 1/2: Detail Business Requirements, Application Design, Application Development (30%)	\$132,076
2	Release 1/2: Testing (30%)	\$132,076
3	Release 1/2: Implementation, Documentation (40%)	\$176,101
		\$440,253

Release 3 Healthy Michigan Plan (65% of Total Amount):

4	Release 3 Healthy Michigan Plan: Detail Business Requirements, Application Design, Application Development (30%)	\$343,397
5	Release 3 Healthy Michigan Plan: Testing (30%)	\$343,397
6	Release 3 Healthy Michigan Plan: Implementation, Documentation (40%)	\$457,862
		\$1,144,656

Release 4 (10% of Total Amount):

7	Release 4: Detail Business Requirements, Application Design, Application Development (30%)	\$52,830
8	Release 4: Testing (30%)	\$52,830
9	Release 4: Implementation, Documentation (40%)	\$70,440
		\$176,100

Total

\$1,761,009

The Contractor will invoice the State upon State acceptance of the deliverables within payment milestone.



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

**for
Modified Adjusted Gross Income (MAGI) Eligibility Determination Service
STATEMENT OF WORK**

This Revised Statement of Work ("Revised SOW") is issued under the terms of Contract #071B3200100 ("Contract") dated May 31, 2013, between CGI Technologies and Solutions, Inc. ("Contractor" or "Vendor") and the Department of Technology, Management & Budget (DTMB) and Department of Community Health (DCH), collectively referred to as "State".

Project Title: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service	Period of Coverage: March 1, 2014 – May 30, 2016
Requesting Agency: Department of Community Health	Date: February 26, 2014
Agency Project Manager: Dennis Shippy	Phone: (517) 373-3609
DTMB Project Manager: Kimberly Koppsch-Woods	Phone: (517) 373-2776
Vendor: CGI Technologies and Solutions, Inc. (Contract #071B3200100)	Change Requests: 674, 814
Attachments: PMM-0014 Change Request #674 PMM-0014 Change Request #814	

BRIEF DESCRIPTION OF SERVICES TO BE PROVIDED:

In order to enable multiple development and testing streams, additional MAGI environments are necessary to be available.

BACKGROUND:

The State of Michigan (SOM) is under contract with CGI Technologies and Solutions, Inc., to implement a Michigan specific standalone MAGI Determination Service. As required under Contract #071B3200100, the business and technical scope for CGI MAGI Determine Eligibility was identified with the responding Contractor approach.

ASSUMPTIONS:

None identified.

SCOPE OF WORK:

This Statement of Work consists of the below scope. A more detailed description of the services (work) and deliverables sought for this SOW is provided below and in the attached PMM-0014, Project Change Request.

- Change Request #674:

- Standup additional environments to enable concurrent development and testing streams. This change request will adhere to Contract specifications.
- Maintenance and support to occur as outlined in the Contract.
- The environments must be installed and in operation by March 1, 2014.
- Change Request #814:
 - Increase memory to process 200 determinations per minute.
 - Maintenance and support to occur as outlined in the Contract.
 - Solution must be in installed and in operation by March 1, 2014.

TASKS:

The Contractor will coordinate with the State on the necessary tasks to complete the scope of work. At a minimum, the Contractor and State will comply with the Contractor Approach as outlined in the application Sections of the Contract under 1.104 Work and Deliverables.

See attached PMM-0014, Project Change Requests for specifically identified tasks.

DELIVERABLES:

At a minimum, the Contractor and State will comply with the Contractor Approach as outlined in the Contract under 1.104 Work and Deliverables. The Contractor will provide deliverables as documented in Sections D, E, F, G, H and I, K, and L.

See attached PMM-0014, Project Change Requests for specifically identified deliverables.

ACCEPTANCE CRITERIA:

Acceptance criteria shall be governed by the Contract.

PROJECT CONTROL AND REPORTS:

Contractor will submit progress reports as described in the contract.

SPECIFIC AGENCY STANDARDS:

Not Applicable.

PAYMENT SCHEDULE:

	Deliverable	Amount
Table 1: Recurring Maintenance and Support Costs: Test and UAT Environments	Change Request #674 <ul style="list-style-type: none"> This total cost is calculated from recurring amounts of \$18,677.17. Per the proposed schedule, 27 monthly fee periods will be incurred in the 3-year base contract term (anticipated begin date 3/1/14). These services will be Maintenance and Support services and will commence the month the deliverable is implemented and accepted by the State. The State is liable for these Recurring Maintenance and Support fees related to this Change Request. The State may revoke the need for or reduce the number of environments with thirty (30) days written notice to the Vendor, at no penalty to the State or further cost to the State. 	\$504,283.59
	Change Request #814 <ul style="list-style-type: none"> This total cost is calculated from recurring amounts of \$9,128.00. Per the proposed schedule, 27 monthly fee periods will be incurred in the 3-year base contract term (anticipated begin date 3/1/14). These services will be Maintenance and Support services and will commence the month the deliverable is implemented and accepted by the State. The State is liable for Recurring Maintenance and Support fees related to this Change Request. 	\$246,456.00
Total Cost		\$750,739.59

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

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

EXPENSES:

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

PROJECT CONTACTS:

The DTMB Project Manager is:

Kimberly Koppsch-Woods
 Michigan Department of Technology, Management and Budget
 Customer Service supporting Department of Community Health, Medicaid Compliance Program
 Hollister Building, 116 West Allegan Street
 Lansing, MI 48933
 Koppsch-woodsk@michigan.gov

DTMB/AGENCY RESPONSIBILITIES:

Provide detailed requirements and respond promptly to follow up questions.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

The Contract governs Work Location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

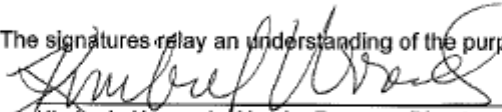
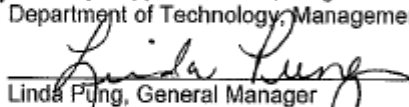
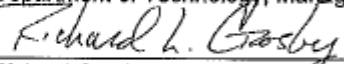
The Contract governs Work Hours and Conditions.

RIGHT TO OWNERSHIP:

The Contract governs Right to Ownership.

APPROVAL SIGNATURES:

The signatures relay an understanding of the purpose and content of the document by those endorsing it.

 _____ Kimberly Kopsch-Woods, Program Director Department of Technology, Management & Budget	Date: <u>4/8/14</u>
 _____ Linda Pung, General Manager Department of Technology, Management & Budget	Date: <u>4-8-14</u>
 _____ Richard Crosby, Account Executive CGI Technologies and Solutions, Inc.	Date: <u>3/18/2014</u>

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

CHANGE NOTICE NO. 3
to
CONTRACT NO. 071B3200100
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
CGI Technologies and Solutions Inc. 11325 Random Hills Road Fairfax, VA 22030-6051	Richard Crosby	Richard.crosby@cgi.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(618) 719-6714	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Larry Lemieux	(517) 241-4547	LemieuxL@michigan.gov
BUYER	DTMB	David Hatch	(517) 284-	hatchD@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
5/31/2013	5/30/2016	2 One-Year	5/30/2016
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>	N/A	5/30/2016
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$0.00		\$12,476,930.00		

Effective immediately, this Contract is amended to utilize \$1,761,009.00 of funding from the Reserved Bank of Hours for the attached Statement of Work for CGI Release 1/2, Release 3, and Release 4 per the incorporated payment schedule and table.

All other terms, conditions, specifications and pricing remain unchanged. Per vendor and agency agreement and DTMB Procurement approval.

PAYMENT SCHEDULE:

Other Services as described in Section 1.104(l) (M) Table 4 of the Contract will fund this Statement of Work. Payment will be made on a fixed cost basis in accordance with the deliverable schedule as shown below:

Work allocation based upon project activity:

- 25% Release 1 and 2 Maintenance and Support
- 65% Healthy Michigan
- 10% Release 4

Payment	Deliverable	Amount
1	30% upon Stage exit of the following SUITE phases: <ul style="list-style-type: none">• Detail Business Requirements• Application Design• Application Development	\$528,302.70
2	30% upon Stage Exit of the following SUITE phases: <ul style="list-style-type: none">• Testing	\$528,302.70
3	40% upon Stage Exit of the following SUITE phases: <ul style="list-style-type: none">• Implementation• Documentation – Written Deliverables Only	\$704,403.60
Total Cost		\$1,761,009.00

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**MICHIGAN DEPARTMENT OF TECHNOLOGY,
MANAGEMENT AND BUDGET
IT SERVICES**
for
Modified Adjusted Gross Income (MAGI) Eligibility Determination Service
STATEMENT OF WORK

This purchase order is a release from Contract #071B3200100 ("Contract") between CGI Technologies and Solutions, Inc. ("Contractor" or "Vendor") and the Department of Technology, Management & Budget (DTMB) and Department of Community Health (DCH), collectively referred to as "State". The purchase order, statement of work, and the terms and conditions of the Contract constitute the entire agreement between the State and the Contractor.

Project Title: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service	Period of Coverage: January 1, 2014 – December 31, 2015
Requesting Agency: Department of Community Health	Date: January 9, 2014
Agency Project Manager: Dennis Shippy	Phone: (517) 373-2609
DTMB Project Manager: Gayathri Jaganathan	Phone: (517) 373-2776
Contract Information: CGI Technologies and Solutions, Inc. Contract #071B3200100	Change Request (CR) #: N/A
Attachments: MCP Release 3 Charter – Program Level MCP Release 3 Program Level Requirements	

BRIEF DESCRIPTION OF SERVICES TO BE PROVIDED:

Identification of scope required for the Medicaid Compliance Program (MCP) development services in support of implementing House Bill 4714, often referred to as "Healthy Michigan Plan" or "Release 3" or "R3".

While the Healthy Michigan Plan will include many business and technology deployments over time to address the functionality described in House Bill 4714, this MCP Release 3 Project Charter is specific to the first deployment during the first quarter of calendar year 2014.

BACKGROUND:

The State of Michigan (SOM) is under contract with Contractor to implement a rules engine utilizing rules from the Patient Protection and Affordable Care Act (PPACA or ACA) under the modified adjusted gross income (MAGI). As required under the Contract, the business and technical scope was identified with the responding Contractor approach. Scope was defined through October 1, 2013, and extended through December 31, 2013. Further IT services scope has been identified beyond December 31, 2013, and is included herein.

PROJECT OBJECTIVE:

The purpose of Release 3 is to provide health care coverage to low-income Michigan citizens who are uninsured or underinsured. Release 3 will also identify, through data discovery, policies and procedures that could improve health care quality and stabilize health care costs. Refer to Attachment A, MCP Release 3 Charter, for program objectives.

1. Implementation of State of Michigan functionality to meet the system requirements of House Bill 4714.
2. Modification of existing systems to set applicants, who are determined eligible for the Healthy Michigan Plan, to have an effective eligibility date of 4/1/2014 for determinations done prior to 4/1/2014.
3. Re-evaluation of applicants who were denied MAGI related eligibility before the Healthy Michigan Plan rules were implemented in the MAGI determination service with an eligibility date no earlier than 4/1/2014.
4. Modification to MAGI Eligibility Determination Service with new MAGI Rules that include - eligibility requirements for the Healthy Michigan Plan population.
5. Modification –of the MAGI rules engine for the Healthy Michigan Plan population including: FPL, MAGI Category indicator, correct old vs. new indicator.
6. Evaluation of all "Spend-Down" and Group II FFS population(s) for re-evaluation to Healthy Michigan Plan (as business appropriate).
7. Process applicants who were denied MAGI benefits under the pre-Healthy Michigan Plan rule set by identifying them from the MAGI Rules engine, and automatically resend- them for a new determination.
8. Ability to reprocess applicants who originated at the FFM and were denied MAGI benefits under the pre-Healthy Michigan Plan rule set in support of House Bill 4714.

SCOPE OF WORK:

Solution Overview

1. Healthy Michigan Plan:
 - a. The solution referred to as "Healthy Michigan Plan", "Release 3" or "R3" must be installed and in operation by March 15, 2014. Planning for this goal will be based on the approach and assumptions documented in this SOW.
 - b. Contractor and SOM will adhere to the mutually agreed upon schedule.
 - c. Healthy Michigan Plan deliverables will be based on final program requirements below. Project requirements will be gathered during requirement sessions scheduled in accordance with the project schedule SOM and CGI will mutually agree to how the requirements will be satisfied:
 - i. Evaluation and modification of the existing MAGI Determination Service to implement the eligibility requirements and FMAP requirements of the Healthy Michigan Plan. Ensure current processes are not impacted
 - ii. Reprocess applications for possible Healthy Michigan plan eligibility using all of the application reprocessing criteria: Criteria's are listed in program business requirements
 - iii. Refer to attached program level business requirements that includes high level requirements for MAGI Rules Engine.
 - iv. Establish eligibility rules for adult group
 - v. Assign eligible applicants to most beneficial category
 - vi. Sending and identifying referrals
 - vii. Appropriately flag Medicaid recipients
 - viii. Coordination with Bridges
 - ix. Evaluate and revise impacted Reports
 - x. Transmit individual information
2. Release 4: The solution referred to as "Release 4" or "R4" will be installed after Release 3. The full scope will be outlined in a separate Statement of Work. Some Initiation and Planning activities are included within this SOW.
3. Maintenance and operations supporting Release 1 and 2.

Services and Deliverables to be Provided

A. Detailed Business and Technical Requirements

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(A). Where appropriate, existing project deliverables will be updated to incorporate the Release 3 scope. The contractor may use SUITE in the cases where it is practical, and does not incur additional costs. Final determinations regarding this will be made as early as practicable and agreed upon with the DTMB Project Manager. Any deliverable waivers must be agreed upon with DTMB.

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(I)(A) of the Contract, and provide the following deliverables:

- Detailed Business Requirements
 - Requirements Traceability Matrix [New]
 - Business Requirements Document
- Approved Structured Walkthroughs for above documents

D. Application Design

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(D). Where appropriate, existing project deliverables will be updated to incorporate the Release 3 scope. The contractor may use SUITE in the cases where it is practical, and does not incur additional costs. Final determinations regarding this will be made as early as practicable and agreed upon with the DTMB Project Manager. Any deliverable waivers must be agreed upon with DTMB.

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(I)(D) of the Contract, and provide updates to the following deliverables that were produced during Release 1 and 2:

- Functional Design:
 - Functional Design Document
 - Requirements Specifications [Final]
 - Requirements Traceability Matrix [Updated]
 - Approved Structured Walkthrough for the above documents
- System Design:
 - Conversion Plan [if necessary]
 - Requirements Traceability Matrix [Updated]
 - System Design Document [Final]
 - Test Plan Includes Test Type Approach and Reports [Initial]
 - Test Cases [Initial]
 - Approved Structured Walkthrough for the above documents

E. Application Development

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(E). Where appropriate, existing project deliverables will be updated to incorporate the Release 3 scope. The contractor may use SUITE in the cases where it is practical, and does not incur additional costs. Final determinations regarding this will be made as early as practicable and agreed upon with the DTMB Project Manager. Any deliverable waivers must be agreed upon with DTMB.

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(I)(E) of the Contract, and provide updates to the following deliverables that were produced during Release 1 and 2:

- Requirements Traceability Matrix [revised]

- Conversion Plan [revised]
- Test Cases [revised]
- Transition Plan [initial]
- Installation Plan [initial]
- Security Plan and Assessment [review and revise as necessary]
- Operating Documentation
 - Developer's Reference Manual
- Project Test Results File
- System units and modules
- Approved Structured Walkthroughs for above documents.

F. Testing

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(l)(F). Where appropriate, existing project deliverables will be updated to incorporate the Release 3 scope. The contractor may use SUITE in the cases where it is practical, and does not incur additional costs. Final determinations regarding this will be made as early as practicable and agreed upon with the DTMB Project Manager. Any deliverable waivers must be agreed upon with DTMB.

The Contractor will participate in "war room" testing activities, as requested, by the State, to enhance communication and promote intense collaboration to remediate discovered testing defects.

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(l)(F) of the Contract, and provide updates to the following deliverables that were produced during Release 1 and 2:

- Requirements Traceability Matrix [final]
- Conversion Plan [revised]
- Test Type Approach and Reports [final]
 - Integration test reports
 - System test reports
 - User Acceptance test report
- Test Cases [final]
- Transition Plan [revised]
- Installation Plan [final]
- Security Plan and Assessment [review and revise as necessary]
- Operating Documentation [final]
 - Developer's Reference Manual

G. Implementation

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(l)(G). Where appropriate, existing project deliverables will be updated to incorporate the Release 3 scope. The contractor may use SUITE in the cases where it is practical, and does not incur additional costs. Final determinations regarding this will be made as early as practicable and agreed upon with the DTMB Project Manager. Any deliverable waivers must be agreed upon with DTMB.

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(l)(G) of the Contract, and provide updates to the following deliverables that were produced during Release 1 and 2:

- Services to implement the application, including:
 - Data conversion (if necessary)

- Data migration (if necessary)
- Configuration
- Customization
- Interfaces/Integration
- Conversion Plan [final]
- Transition Plan [final]
- Security Plan and Assessment [revise and finalize]
- Converted data or system files (if necessary)
- Installation Test materials
- Operating documents
- Operational software product

H. Training

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(H). Where appropriate, existing project deliverables will be updated to incorporate the Release 3 scope. The contractor may use SUITE in the cases where it is practical, and does not incur additional costs. Final determinations regarding this will be made as early as practicable and agreed upon with the DTMB Project Manager. Any deliverable waivers must be agreed upon with DTMB.

If initial training has not occurred as outlined in the Contract, the new functionality will be trained with the "initial training". If the initial training has already occurred, the Contractor will provide updated training sessions for the State.

Deliverable(s)

At a minimum the Contractor will provide the requirements stated above and provide and update the deliverables in Contract Section 1.104(I)(H).

I. Documentation

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(I)) as modified by mutual agreement during the course of Release 1 and Release 2 project execution. Where appropriate, existing project deliverables will be updated to incorporate the Release 3 scope.

J. Operation Services

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(J)) as modified by mutual agreement during the course of Release 1 and Release 2 project execution. Where appropriate, existing project deliverables will be updated to incorporate the Release 3 scope.

K. Maintenance and Support

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(K)) as modified by mutual agreement during the course of Release 1 and Release 2 project execution. Where appropriate, existing project deliverables will be updated to incorporate the Release 3 scope.

L. Knowledge Transfer/Transition

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(L)) as modified by mutual agreement during the course of Release 1 and Release 2 project execution. Where appropriate, existing project deliverables will be updated to incorporate the Release 3 scope.

ASSUMPTIONS:

- The scope inclusion in each release shall be defined and by the Medicaid Compliance Program level scope and requirements, further delineated during R3 project requirements sessions.
- Implementation dates are determined by the State and subject to change at the discretion of the State. However, this SOW is based on a target implementation of Release 3 no later than for March 31, 2014. Scope changes made by the State that affect price and schedule for the contract will be accommodated through the change control process.
- There is no requirement for additional hardware or software procurement for MAGI Rules Engine for R3 identified within this SOW. However, a need for environments has been identified and will be addressed through a change request. There is a need to continue support of R2 while in development of R3.
- Current resources working on R1 and R2 will be planned to support R3.
- Ongoing support for Release 1 and Release 2 will be provided to support an implementation date planned for the week of January 24, 2014.
- CGI and the State will mutually agree to a revised payment schedule for Release 1 and Release 2 Implementation.
- At the time of this SOW, no changes are projected with regards to the Security Plan and Assessment as outlined within the Deliverables.

TASKS:

The Contractor will coordinate with the State on the necessary tasks to complete the scope of work. At a minimum, the Contractor and State will comply with the Contractor Approach as outlined in the application Sections of the Contract under 1.104 Work and Deliverables.

Contractor will provide detailed project schedule based on scope of work and in alignment to program schedule to complete this initiative by end of 1st quarter 2014.

DELIVERABLES:

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them.

ACCEPTANCE CRITERIA:

Acceptance criteria shall be governed by the Contract.

PROJECT CONTROL AND REPORTS:

Contractor will submit progress reports as described in the in the contract.

SPECIFIC AGENCY STANDARDS:

None identified.

PAYMENT SCHEDULE:

Other Services as described in Section 1.104(I) (M) Table 4 of the Contract will fund this Statement of Work. Payment will be made on a fixed cost basis in accordance with the deliverable schedule as shown below:

Work allocation based upon project activity:

- 25% Release 1 and 2 Maintenance and Support
- 65% Healthy Michigan
- 10% Release 4

Payment	Deliverable	Amount
1	30% upon Stage exit of the following SUITE phases: <ul style="list-style-type: none"> • Detail Business Requirements • Application Design • Application Development 	\$528,302.70
2	30% upon Stage Exit of the following SUITE phases: <ul style="list-style-type: none"> • Testing 	\$528,302.70
3	40% upon Stage Exit of the following SUITE phases: <ul style="list-style-type: none"> • Implementation • Documentation – Written Deliverables Only 	\$704,403.60
Total Cost		\$1,761,009.00

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

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

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Karen Parker
 Michigan Department of Community Health
 (517) 241-5555
Parkerk7@michigan.gov

The designated DTMB Project Manager is:

Kimberly Koppsch-Woods
 Michigan Department of Technology, Management and Budget
 Customer Service supporting Department of Community Health, Medicaid Compliance Program
 (517) 373-0397
koppsch-woodsk@michigan.gov

DTMB/AGENCY RESPONSIBILITIES:

Provide detailed requirements and respond promptly to follow up questions.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

The Contract governs Work Location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

The Contract governs Work Hours and Conditions.

RIGHT TO OWNERSHIP:

The Contract governs Right to Ownership.

AGREEMENT:

Processing through and acceptance by the Department of Community Health and Department of Technology, Management & Budget, Purchasing Office, is required to finalize this Statement of Work and amend the Contract.

AGREED TO: STATE OF MICHIGAN, DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET


By: 
Kimberly Koppsch-Woods, Director

Date: 2/4/14

By: 
Linda Pung, General Manager

Date: 2-6-14

AGREED TO: CGI TECHNOLOGIES AND SOLUTIONS, INC.

By: 
Richard Crosby, Director

Date: 1/29/2014

APPENDIX A



PMM-0002 MCP
Healthy Michigan Plan - R3 Program Charter



Release 3
Requirements final 2C - R3 Program Requirements

	A	B	C	D	E	F
1	PO Line Description	Amount	Index	AG3	Federal/State	PO Dates
2	R1 & R2 25% Detail Bus, App Des, & App Dev	\$ 132,076.00	25507	480937	90/10	03/01/2014-02/28/2015
3	R1 & R2 25% Testing	\$ 132,076.00	25507	480937	90/10	03/01/2014-02/28/2015
4	R1 & R2 25% Implementation	\$ 176,101.00	25507	480937	90/10	03/01/2014-02/28/2015
5	R3 Health MI 65% Detail Bus, App Des, & App Dev	\$ 343,397.00	90007	400012	90/10	03/01/2014-02/28/2015
6	R3 Health MI 65% Testing	\$ 343,397.00	90007	400012	90/10	03/01/2014-02/28/2015
7	R3 Health MI 65% Implementation	\$ 457,862.00	90007	400012	90/10	03/01/2014-02/28/2015
8	R4 PE & SE 10% Detail Bus, App Des, & App Dev	\$ 52,830.00	25507		90/10	03/01/2014-02/28/2015
9	R4 PE & SE 10% Testing	\$ 52,830.00	25507		90/10	03/01/2014-02/28/2015
10	R4 PE & SE 10% Implementation	\$ 70,440.00	25507		90/10	03/01/2014-02/28/2015
11		<u>\$ 1,761,009.00</u>				

Koppsch-Woods, Kimberly (DTMB)

From: Koppsch-Woods, Kimberly (DTMB)
Sent: Friday, April 25, 2014 4:22 PM
To: 'Crosby, Richard L'
Cc: Umlor, Jamie (DTMB); Creemers, Julie (DTMB); Jaganathan, Gayathri (DTMB); Long, Beth
Subject: R1/R2, R3, R4 Statement of Work

Rick, you are correct. The R4 dollars here are separate from the R4 SOW, which we are working through right now. I will have this processed Monday with the clarifications on payment schedule.

The environments and memory are processing through as well.

From: Crosby, Richard L [<mailto:richard.crosby@cgi.com>]
Sent: Friday, April 25, 2014 3:51 PM
To: Koppsch-Woods, Kimberly (DTMB)
Cc: Umlor, Jamie (DTMB); Creemers, Julie (DTMB); Jaganathan, Gayathri (DTMB); Long, Beth
Subject: RE: R1/R2, R3, R4 Statement of Work

Kim:

This looks correct to us. One question to confirm however is that the R4 dollars listed here are separate from the R4 dollars associated with the new SOW, correct? While both of these SOW's include R4 dollars and effort, it's not duplicative, since the timeframes do not overlap.

Aside from this clarification, again, these numbers looks correct.

rick

Rick Crosby
CGI Technologies and Solutions Inc.
618.719.6714 (c)
Richard.Crosby@cgi.com

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From: Koppsch-Woods, Kimberly (DTMB) [<mailto:Koppsch-WoodsK@michigan.gov>]
Sent: Friday, April 25, 2014 2:19 PM
To: Crosby, Richard L
Cc: Umlor, Jamie (DTMB); Creemers, Julie (DTMB); Jaganathan, Gayathri (DTMB); Long, Beth
Subject: R1/R2, R3, R4 Statement of Work

Hi Rick,

For the R1/R2, R3, R4 Statement of work combination, the work was broken into 25%, 65%, and 10%, respectively. Based upon the SDLC phases of completion, we broke payments into 30%, 30% and 40%. The Statement of work had everything bundled together into three payments, but we need to divide costs between the releases for budgeting.

For clarity on budget and billing, does this payment schedule look right to you? If so, we will process this for the purchase order issuance. I attached the signed SOW as well for reference.

1

Thanks,
Kim

Release 1&2 (25% of Total):

A	Release 1/2: Detail Business Requirements, Application Design, Application Development (30%)	\$132,076
B	Release 1/2: Testing (30%)	\$132,076
C	Release 1/2: Implementation, Documentation (40%)	\$176,101
		\$440,253

Release 3 Healthy Michigan Plan (65% of Total):

D	Release 3 Healthy Michigan Plan: Detail Business Requirements, Application Design, Application Development (30%)	\$343,397
E	Release 3 Healthy Michigan Plan: Testing (30%)	\$343,397
F	Release 3 Healthy Michigan Plan: Implementation, Documentation (40%)	\$457,862
		\$1,144,656

Release 4 (10% of Total):

G	Release 4: Detail Business Requirements, Application Design, Application Development (30%)	\$52,830
H	Release 4: Testing (30%)	\$52,830
I	Release 4: Implementation, Documentation (40%)	\$70,440
		\$176,100

Total

\$1,761,009

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

CHANGE NOTICE NO. 2
to
CONTRACT NO. 071B3200100
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
CGI Technologies and Solutions Inc. 11325 Random Hills Road Fairfax, VA 22030-6051	Richard Crosby	Richard.crosby@cgi.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(618) 719-6714	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Larry Lemieux	(517) 241-4547	LemieuxL@michigan.gov
BUYER	DTMB	David Hatch	(517) 284-	hatchD@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
5/31/2013	5/30/2016	2 One-Year	5/30/2016
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>	N/A	5/30/2016
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$0.00		\$12,476,930.00		

Effective immediately, this contract is amended to utilize \$1,965,795.00 of funding from the Reserved Bank of Hours for the attached Statements of Work. Statement of Work #1 is for Change Request #259, totaling \$146,750.00; this amount is added to Table 3 and removed from Table 4 as noted in the Cost Tables incorporated in this Change Notice. The Statement of Work for CGI Release 1 and 2, totals \$1,819,045.00; this amount is utilized from Table 4. Please also note that the buyer has been changed to Dave Hatch. All other terms, conditions, specifications and pricing remain unchanged. Per vendor and agency agreement and DTMB Procurement approval.

Version – March 7, 2014 (Change Notice #2)
Attachment D – Contract Pricing
MAGI Eligibility Service

Table 1: Summary Cost Table for MAGI Eligibility Service

MAGI Eligibility – Contractor Provided Summary Costs	Cost (\$)	Comments
Hardware	<i>SaaS Solution</i>	
Software (Table 2)	\$1,034,110	
Work & Deliverable Costs (Table 3)	\$3,243,300 \$3,393,000	<ul style="list-style-type: none"> • Payment is contingent on all Work & Deliverables completed prior to 10/01/2013. • Any changes within the Work and Deliverables 10/01/2013 schedule must be mutually agreed upon in a written Change Order contract. • Table 3 has been modified to include \$38,000 to install the circuit. As well as \$60,000 for contingency dollars that can be made available for additional installation or ongoing circuit charges. • Table 3 has been modified to include \$146,700 for the "Eight Requirements" identified in Change Control #259. • If a new schedule is agreed upon for specific sections, the associated costs will be defined in the Change Order and payment withheld based on the new Change Order schedule.
Operations	\$2,024,400	<ul style="list-style-type: none"> • This total cost is calculated from recurring amounts of \$72,300. • Per the proposed schedule, 28 monthly fee periods will be incurred in the 3-year base contract term. • Operational services will commence upon the "go-live" date, which is scheduled 10/1/2013. • The State is liable for the Operation Service fees commencing on 1/1/2014 if the solution has been implemented. • The warranty period starts 10/1/2013 and thus that final acceptance is tied to this date. Contractor has costs for support during the Q4 period, but has structured the pricing to start monthly billings Jan 2014, to align with the anticipated complete of Warranty.
Circuit Charges	\$536,962.00	<ul style="list-style-type: none"> • This total cost is calculated from recurring amounts of \$15,793 for total circuits. • Per the proposed schedule, 34 monthly fee periods will be incurred in the 3-year base contract term.
Recurring Maintenance and Support Costs	\$603,120	<ul style="list-style-type: none"> • This total cost is calculated from recurring amounts of \$21,540. • Per the proposed schedule, 28 monthly fee periods will be incurred in the 3-year base contract term. • Maintenance and Support services will commence upon the "go-live" date, which is scheduled 10/1/2013. • The State is liable for the Recurring Maintenance and Support fees commencing on 1/1/2014 if the solution has been implemented.
Total Vendor Provided Solution Cost	\$7,441,892 \$7,588,592	
Other Optional Costs (Table 4)	\$5,035,038 \$4,888,338	<ul style="list-style-type: none"> • This budgetary item includes 35,000 staffing hours available for use at the option of the State of Michigan. • This is reduced by \$634,962 based on the changes as documented in Change Notice #1 • This is reduced by \$146,700 based on the changes as documented in Change Notice #2
Total Vendor Provided Solution Cost with	\$ 12,476,930.00	

Optional Costs

Table 2: Software Licensing Cost

Software Description	Manufacturer	License Type (perpetual, subscription)	License Basis (enterprise, users, CPU, etc.)	Number of Licenses Required	Total One-Time License Cost
Oracle Policy Automation - Enterprise ¹	Oracle	Perpetual	Enterprise Operating Budget	1	\$ 771,653
Oracle Policy Modeling - Application User Perpetual	Oracle	Perpetual	Users	5	155,137
JBOSS Enterprise SOA Platform with Management, Premium	RedHat	Subscription	Core	2 16-core licenses	47,059
ALMComplete Perpetual - Concurrent User License	SmartBear	Perpetual	Concurrent Users	6	10,588
LoadComplete - Design Seat - Floating License	SmartBear	Perpetual	Floating	3	3,526
LoadComplete - Load Controller - Node-Locked License w/ 10,000 Virtual Users	SmartBear	Perpetual	Virtual Users - 10k pack	1	42,706
SoapUI-Pro Named User Subscription License	SmartBear	Subscription	Named User	3	3,441
TOTAL SOFTWARE LICENSE COST :					\$ 1,034,110

Enterprise pricing for Oracle Policy Automation is based on combined LARA/DCH/DHS Operating budget and allows full use limited to the MAGI/CHIP project by LARA, DCH, and DHS.

Table 3: Work & Deliverable Costs

A	Detail Business Requirements	\$743,902.00
B	Hardware (Note this does not include actual hardware costs)	
C	Software (Note this does not include actual software costs which are included in table 2)	
D	Application Design	\$270,510.00
E	Application Development	\$175,832.00
F	Testing	\$162,306.00
G	Implementation	\$1,352,550.00
H	Training	\$172,900.00
I	Documentation	\$172,900.00
L	Knowledge Transfer/Transition	\$94,400.00
M	MPLS Circuit	\$38,000.00
	Contingency dollars that can be made available for additional installation or ongoing circuit charges related to CN#1.	\$60,000.00
	Additional charges against Table 3 from CN#2. Broken down in the SOW tables for Change Control #259 which is attached to CN#2.	\$146,700.00
		\$3,243,300.00
		\$3,393,000.00

The Contractor will invoice the State upon State acceptance of the deliverables within payment milestone.

Table 4: Other Optional Costs (Agency to add any additional services and software to be required)

Roles	Total # of hours	Not-to-Exceed Hourly Rate (\$)	Total cost (\$)
1. Project Management		\$250.00	
2. Technical Lead		\$240.00	
3. Business Analysts		\$120.00	
4. System Analysts		\$150.00	
5. Programmer/Developers		\$120.00	
6. System Administrators		\$110.00	
7. Database Administrators		\$150.00	
8. Q/A Manager		\$150.00	
9. Security Specialist		\$240.00	
10. Testers		\$110.00	
11. Technical Writers		\$80.00	
12. CM Specialists		\$110.00	
13. System Architects		\$240.00	
14. Network Engineer/Administrator		\$100.00	
15. Software Architects		\$170.00	
16. Project Assistants		\$60.00	
17. Web Developers		\$110.00	
18. Application Trainers		\$80.00	
Others: (List below)			
19. OPA Specialist		\$330.00	
20. Senior Consultant		\$320.00	

The non-weighted blended rate for the positions listed in Table 5 equates to \$162.00 per hour. This blended rate was multiplied by the 35,000 estimated hours to provide the ~~\$5,035,038~~ \$4,888,338 amount that has been included in the summary cost table. This is not a commitment from the State for future Change Requests.

As outlined in Section 2.024, scope and price of potential Change Requests will be mutually agreed to by the State and Contractor, and the price of any such Change Requests will be determined by the number of hours required by position and the associated position-specific rates.



MICHIGAN DEPARTMENT OF TECHNOLOGY,
MANAGEMENT AND BUDGET
IT SERVICES

for

Modified Adjusted Gross Income (MAGI)
Eligibility Determination Service

STATEMENT OF WORK

This Revised Statement of Work ("Revised SOW") is issued under the terms of the Contract #071B3200100 ("Contract") dated May 31, 2013, between CGI Technologies and Solutions, Inc. ("Contractor" or "Vendor") and the Department of Technology, Management & Budget (DTMB) and Department of Community Health (DCH), collectively referred to as "State".

Project Title: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service	Period of Coverage: 8/3/13 – 5/30/16
Requesting Agency: Department of Community Health	Date: 8/27/13
Agency Project Manager: Dennis Shippy	Phone: (517) 373-2609
DTMB Project Manager: Gayathri Jaganathan	Phone: (734) 776-8457

BRIEF DESCRIPTION OF SERVICES TO BE PROVIDED:

Change Control(s) #259

The State of Michigan (SOM) provided clarification requirements identified below after requirements had been identified, documented and confirmed by the SOM to CGI. These requirements are hereinafter referred to as "Eight Requirements".

Requirement #	Description
F077 005.002.000	For applications of Health Coverage eligibility and enrollment beginning 1/1/2014, individuals who report income greater than 0 that cannot uniquely be identified or information cannot be found and validated will be identified as not verified and the determination will result in a pending status if found eligible on the income reported.
F078 005.002.000	For applications of Health Coverage eligibility and enrollment beginning 1/1/2014, individuals who report earning no income (or 0) and information cannot be verified as there is no income found in FTI, the determination result in eligible.
F081 005.124.004	For applications of Health Coverage eligibility and enrollment beginning 1/1/2014, when an applicant requesting benefits does not have a SSN recorded on the application and they have indicated citizenship, the determination should pend unless they are under 6 months of age as of the date of application.
F082 005.047.000	For applications of Health Coverage eligibility and enrollment beginning 1/1/2014, pregnancy due date and citizenship verification do not impact the MAGI determination status, and will result in an eligible determination if all other eligibility factors are met.
F086 005.047.000	For applications of Health Coverage eligibility and enrollment beginning 1/1/2014, individuals who are applying during open enrollment in which the postpartum period ends on or before 1/1/2014 will be denied/ineligible for Pregnant Woman (HKP) MAGI benefits.

F088 005.059.000	For applications of Health Coverage eligibility and enrollment beginning 1/1/2014, all individuals will not be eligible for MICHild MAGI Category if the individuals' birthdate is prior to 2/1/1995.
F017 001.001.000	For applications of Health Coverage eligibility and enrollment beginning 1/1/2014, if an applicant attests they lost employer coverage and do not attest any employer coverage related information, the determination will result in an eligible determination. For MICHild, the determination will identify the need for additional information in post-determination validation.
F116 005.008.000 and 005.124.000	For applications of Health Coverage eligibility and enrollment beginning 1/1/2014; individuals who do not attest to the citizenship question and trusted data sources cannot uniquely identify or information cannot be found and verified, will be identified as requiring additional information and the determination will result in a pend status for citizenship if otherwise found eligible.

Assumptions:

1. These requirements will be included in the MAGI Rules Engine based on detailed requirements provided by the SOM on August 28, 2013. If the requirement definitions take additional time, it will be reflected in the implementation date.
2. User acceptance testing (UAT) of the requirements above will be completed by September 13, 2013, based on the timely definitions provided and follow up questions addressed by the SOM.

BACKGROUND:

As required under Contract #071B3200100, business and technical requirements for CGI MAGI Determine Eligibility were identified, documented and confirmed by the SOM on July 11, 2013. The SOM provided program level requirements under the MCP Project for CGI review on July 26, 2013. Eight requirements were identified as out of scope and are included in this change request.

SCOPE OF WORK:

This statement of work consists of the following scope for the Eight Requirements:

1. Detailed Business and Technical Requirements
2. Application Design
3. Application Development
4. Testing
5. Implementation
6. Training
7. Documentation
8. Operation Services
9. Maintenance and Support
10. Knowledge Transfer/Transition

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

TASKS:

The Contractor will coordinate with the State on the necessary tasks to complete the scope of work. At a minimum, the Contractor will comply with the Contractor Approach as outlined in the application Sections of the Contract under 1.104 Work and Deliverables.

DELIVERABLES:

The Eight Requirements will be represented as deliverables in the project plan.

- The Eight Requirements must be installed and in operation by 10/1/2013.
- Contractor must adhere to the delivery schedule mandated with CMS' Seven Critical Success Factors
- The Contractor will provide adhere to the Section 1.104 Work and Deliverables for the Eight Requirements as outlined in Sections A, D, E, F, G, H, I, J, K, and L.

ACCEPTANCE CRITERIA:

Acceptance criteria shall be governed by the Contract.

PROJECT CONTROL AND REPORTS:

Contractor will submit weekly progress reports.

SPECIFIC AGENCY STANDARDS:

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

PAYMENT SCHEDULE:

The quoted cost for this work is broken down as follows:

Project Change Request #259:

Payment	Deliverable	Amount
1	Upon satisfactory acceptance of the following deliverables: • Detail Business Requirements • Application Design	\$18,601.00
2	Upon satisfactory acceptance of the following deliverables: • Application Development	\$12,092.00
3	Upon satisfactory acceptance of the following deliverables: • Testing	\$11,161.00
4	Upon satisfactory acceptance of the following deliverables: • Implementation	\$93,007.00
5	Upon satisfactory acceptance of the following deliverables: • Documentation	\$11,889.00
Total Cost		\$146,750.00

Statement of Work Total Cost	\$146,750.00
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Other Services as described in Section 1.104(I)(M) Table 4 of the Contract will fund this Statement of Work.

"Table 3: Work & Deliverable Costs" is increased by \$146,750.00.

"Table 4: Other Optional Costs" is reduced by \$146,750.00.

The Contractor will invoice the State upon State acceptance of the deliverables within payment milestone as outlined in Attachment D of the Contract.

EXPENSES:

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

PROJECT CONTACTS:

The DTMB Project Manager is:

Gayathri Jaganathan
 Michigan Department of Technology, Management and Budget
 Customer Service supporting Department of Community Health, Medicaid Compliance Program
 Hollister Building 1st Floor, 116 W. Allegan Street
 Lansing, MI 48933
 Email: JaganathanG@michigan.gov

The DTMB Contract Administrator for this project is:

Whitnie Zuker
 Michigan Department of Technology, Management and Budget, Purchasing Operations
 Stevens T. Mason Building - 2nd Floor, 530 W. Allegan Street
 Lansing, MI 48933

Email: zuckerw@michigan.gov

DTMB/AGENCY RESPONSIBILITIES:

Provide detailed requirements and respond promptly to follow up questions.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

The Contract governs Work Location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

The Contract governs Work Hours and Conditions.

RIGHT TO OWNERSHIP:

The Contract governs Right to Ownership.

AGREED TO: STATE OF MICHIGAN, DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

By: *Linda Pung*
Linda Pung, General Manager

Date: 11-21-13

AGREED TO: STATE OF MICHIGAN, DEPARTMENT OF COMMUNITY HEALTH

By: *Not Required per Linda Pung*
Karen Parker, Director *already approved at optbedship*

AGREED TO: CGI TECHNOLOGIES AND SOLUTIONS, INC.

By: *Richard L. Crosby*
Richard Crosby

Date: 11/20/2013

Kimberl Woods *11/21/13.*



November 20, 2013

Ms. Kimberly Koppsch-Woods
State of Michigan
Department of Technology, Management and Budget
P.O. Box 30026
Lansing, Michigan 48909

Subject: Additional Requirements for development of additional eligibility rules; Contract No. 071B3200100 MAGI Eligibility Determination Service

Dear Ms. Koppsch-Woods:

This letter provides CGI's quote for Additional Services requested by the State of Michigan under the referenced contract for the design, development, test, and implementation of additional eligibility rules in order to address additional business requirements.

Scope

CGI will design and implement eligibility rules necessary to address additional business requirements provided the State of Michigan. The specific deliverables and scope of work is documented in the attached Statement of Work.

Price

Total price for this contract amendment is \$146,750. The attached Statement of Work defined how this will be amended to the base contract.

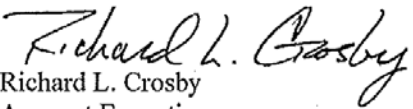
Assumptions

Applicable assumptions are documented in the attached Statement of Work.



Please let me know if there are any questions with this quote.

Sincerely,


Richard L. Crosby
Account Executive
CGI Technologies and Solutions Inc.

Attachment



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

**for
Modified Adjusted Gross Income (MAGI)
Eligibility Determination Service**

STATEMENT OF WORK

This Revised Statement of Work ("Revised SOW") is issued under the terms of the Contract #071B3200100 ("Contract") dated May 31, 2013, between CGI Technologies and Solutions, Inc. ("Contractor" or "Vendor") and the Department of Technology, Management & Budget (DTMB) and Department of Community Health (DCH), collectively referred to as "State".

Project Title: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service	Period of Coverage: June 3, 2013 – May 30, 2016
Requesting Agency: Department of Community Health	Date: November 21, 2013
Agency Project Manager: Dennis Shippy	Phone:
DTMB Project Manager: Gayathri Jaganathan	Phone: (517) 373-2776

BRIEF DESCRIPTION OF SERVICES TO BE PROVIDED:

Project Change Requests #424, 451, 528, 534, 538, 521, 575, 481, 479, 480; Issues #354, 386.

Testing and implementation support for re-determinations to occur at a future date and system development lifecycle activities (e.g. requirements, development, testing and implementation) of rule changes and file format as a result of Project Change Requests.

BACKGROUND:

The State of Michigan (SOM) is under contract with CGI Technologies and Solutions, Inc., to implement a Michigan specific standalone MAGI Determination Service. As required under Contract #071B3200100, the business and technical scope for CGI MAGI Determine Eligibility was identified with the responding Contractor approach.

Scope was defined through October 1, 2013, followed by Operation Services and Maintenance and Support. Further IT services requirements have been identified beyond October 1, 2013, and is included herein.

ASSUMPTIONS:

- MAGI Medicaid Eligibility benefit open enrollment begins October 1, 2013, with benefits effective January 1, 2014.
- The solutions referred to as "Release 1" and "Release 2" must be installed and in operation by December 15, 2013. Release dates are subject to change at the discretion of the State.

SCOPE OF WORK:

This Statement of Work consists of the following scope:
Detailed Business and Technical Requirements

Application Design
Application Development
Testing
Implementation
Training
Documentation
Knowledge Transfer/Transition

A more detailed description of the services (work) and deliverables sought for this SOW is provided below and the projected release. The scope inclusion in each release shall be defined and by the Medicaid Compliance Program level scope and requirements

For the included Change requests, the Vendor will provide system development lifecycle activities (SDLC) including Detailed Business Requirements, Application Design, Application Development, Testing, Implementation, Training, Documentation and Knowledge Transfer/Transition.

- A) Section 1.104 Work and Deliverable of the contract required implementation by October 1, 2013, of the ability to perform a MAGI Eligibility Re-Determination. The MAGI Eligibility Re-Determination remains in scope, but is not required for implementation until Release 4, projected to occur in May/June 2014. The State recognizes the Contractor has completed Business Requirements, Application Design and Application Development. CGI will provide testing support and implementation support during the later release at no additional cost to the State.
- B) Additional Rules Developed above contract Section 1.104 allowance: The Federal MAGI Rule base contains 967 rules. To support the State-specific rule base, 171 rules were planned, based on Section 1.104. Actual requirements necessitated a total of 341 rules be designed, configured, tested and integrated into the total rule base.
- C) Issue #354 Extension of implementation support services due to delay in Go Live: Extension of CGI and Oracle implementation and test support services from 10/1/13 to 12/31/13, to be coordinated with support for Release 2. Note: 60-day development and support of rules to begin 1/1/14.
- D) Project Change Requests (See attached PMM-0014 for more information):
1. Change Request #420 MAGI Eligibility Determination services output modification (Impact analysis done under CR338).
 2. Change Request #529 SSN Optional Functionality
 3. Change Request #424 Family Relationship
 4. MAGI Eligibility Determination services output modification – Budget (CR420)
 5. MAGI Eligibility Determination services output modification – Determination Reasons for Correspondence (CR448)
 6. Pend Changes – Multiple Pend Flag Rollup (CR521)
 7. Pend Changes – Complex Household Composition (CR528):
 8. Pend Changes – SSN not pended when not validated by FFM (CR529, Issue 386)
 9. Pend Changes – Post Determination Check for any Insurance Coverage (CR534)
 10. Income Calculation (CR538) Income is counted twice in determination
 11. Pend Changes – Inconsistent tax Determination Information (CR479)
 12. Pend Changes – Inconsistent Family Composition Information (CR480)
 13. Release 2 Requirements (CR451): CGI will make modifications to the MAGI Eligibility Determination Services to support these areas (additional information contained within the PMM-0014s attached):

IT Services Statement of Work

Page 2

- a. Real time determinations for Medicaid and CHIP
- b. Presumptive Eligibility
- c. Retro Applications
- d. MAGI Eligibility Data or Determination Overrides

TASKS:

The Contractor will coordinate with the State on the necessary tasks to complete the scope of work. At a minimum, the Contractor and State will comply with the Contractor Approach as outlined in the application Sections of the Contract under 1.104 Work and Deliverables.

See attached PMM-0014, Project Change Requests for specifically identified tasks.

DELIVERABLES:

At a minimum, the Contractor and State will comply with the Contractor Approach as outlined in the Contract under 1.104 Work and Deliverables. The Contractor will provide deliverables as documented in Sections D, E, F, G, H and I, K, and L.

See attached PMM-0014, Project Change Requests for specifically identified deliverables.

ACCEPTANCE CRITERIA:

Acceptance criteria shall be governed by the Contract.

PROJECT CONTROL AND REPORTS:

Contractor will submit progress reports as described in the contract.

SPECIFIC AGENCY STANDARDS:

Not Applicable.

PAYMENT SCHEDULE:

Other Services as described in Section 1.104(I)(M) Table 4 of the Contract will fund this Statement of Work.

Payment will be made on a fixed cost basis based upon the estimated hours of work in accordance with the schedule in Table 4: Other Optional Costs. Payment shall be based upon satisfactory acceptance of each Deliverable. All invoices must include the purchase order number.

Payment milestones are listed below.

Resource Extension through December 31, 2013 (includes Project Change Requests listed)

Payment	Deliverable	Amount
1	40% Upon satisfactory acceptance of the following deliverables: <ul style="list-style-type: none"> • Detail Business Requirements • Application Design • Application Development • Testing 	\$686,818.00
2	60% Upon satisfactory acceptance of the following deliverables: <ul style="list-style-type: none"> • Implementation 	\$1,030,227.00

Total Cost	\$1,717,046.00
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Additional Rules Development

Payment	Deliverable	Amount
1	100% Upon Implementation	\$102,000.00
Total Cost		\$102,00.00

Statement of Work Total Cost	\$1,819,045.00
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DTMB will pay Contractor upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense.

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

EXPENSES:

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

PROJECT CONTACTS:

The DTMB Project Manager is:

Gayathri Jaganathan
Michigan Department of Technology, Management and Budget
Customer Service supporting Department of Community Health, Medicaid Compliance Program
Hollister Building, 116 West Allegan Street
Lansing, MI 48933
JaganathanG@michigan.gov

The DTMB Contract Administrator for this project is:

Whitnie Zuker
Michigan Department of Technology, Management and Budget, Purchasing Operations
Stevens T. Mason Building – 2nd Floor, 530 W. Allegan Street
Lansing, MI 48933
Email: zukerw@michigan.gov

DTMB/AGENCY RESPONSIBILITIES:

Provide detailed requirements and respond promptly to follow up questions.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

The Contract governs Work Location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

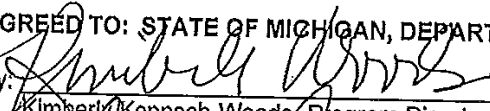
The Contract governs Work Hours and Conditions.

RIGHT TO OWNERSHIP:

The Contract governs Right to Ownership.

IT Services Statement of Work

AGREED TO: STATE OF MICHIGAN, DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

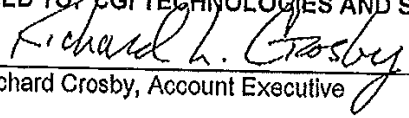
By: 
Kimberly Kopsch-Woods, Program Director

Date: 11/22/13

By: 
Linda Pung, General Manager

Date: 11-22-13

AGREED TO: CGI TECHNOLOGIES AND SOLUTIONS, INC.

By: 
Richard Crosby, Account Executive

Date: 11/22/13

State of Michigan
Modified Adjusted Gross Income (MAGI) Eligibility Determination Service
Project Change Request

A. General Information

Project ID/Acronym:	MAGI Rules Engine	Date:	11/8/13
Controlling Agency:	Community Health	Modification Date:	
Prepared by:	Rick Crosby, Mike Krainski, Beth Long CGI Technologies and Solutions, Inc.	Control Number (from Control Log):	Change Requests: 424, 451, 528, 534, 538, 521, 575, 481, 479, 480 Issues: 354, 386

Privacy Information

This document may contain information of a sensitive nature. This information should not be given to persons other than those who are involved with this system/project or who will become involved during its lifecycle.

Change Control

Revision Date	Author	Section(s)	Summary
11/8/2013	Rick Crosby, Mike Krainski, Beth Long CGI Technologies and Solutions, Inc.	All	Re-created PMM-0014, combining PMM-0014s for 338, 386, 424, and 451 into one document.
11/15/2013	Kimberly Koppsch-Woods, Brad Olsen	All	Reviewed modifications from CGI, additional modifications.
11/21/2013	Beth Long, Gayathri Jaganathan	All	Made edits, added 528, 529, 534, 538, 521, 575 and 481.
11/21/2013	Brad Olsen, Chris Rose	All	Reference to CR354 changed to Issue 354; Reference to CR338 changed to CR420 (Impact analysis complete under CR 338); Reference to CR386 corrected to Issue 386 and CR529; Removed CR575, this is not yet approved; Removed 481, this will be addressed under a separate change request document; Added CR 479, 480.

B. Requestor Information

Proposed Change Description and References:

See Scope of Work.

Scope of Work:

1. Additional Rules Developed above contract Section 1.104 allowance: The Federal MAGI Rule base contains 967 rules. To support the State-specific rule base, 171 rules were planned (approximately 15%), based on Section 1.104. Actual requirements necessitated a total of 341 rules be designed, configured, tested and integrated into the total rule base, 116 additional rules developed for State of Michigan.
2. Extension of test and implementation support due to delay in Go Live (Issue 354): Extension of CGI and Oracle implementation and test support services from 10/1/13 to 12/31/13, to be coordinated with support for Release 2. Note: 60-day development and support of rules to begin 1/1/14.

For the included Change requests, the Vendor will provide system development lifecycle activities (SDLC) including Detailed Business Requirements, Application Design, Application Development, Testing, Implementation, Training, Documentation and Knowledge Transfer/Transition.

3. MAGI Eligibility Determination services output modification (CR420): MAGI Eligibility Determination services output has been modified to expose additional determination variables required by the State of Michigan. (Note: Impact analysis work was conducted by multiple vendors, including CGI, under CR 338).
4. SSN Optional Functionality (CR529, Issue 386): SDLC activities for a new requirement. Specifically, the MAGI Eligibility Determination service was changed to provide eligibility determination whether or not applicants possess SSN information.
5. Family Relationship (CR424): SDLC activities for a new requirement. Specifically, MAGI Eligibility Determination services modified to derive family relationships based on application data. MAGI must be able to utilize these questions in determining eligibility:
 - Are you married: Yes, No; Name of Spouse
 - If under age 21, Name of Mother, Name of Father
 - Do you live with at least one child under the age of 19, and are you the main person taking care of this child? Yes, No; Name of Child; Relationship to Child
6. MAGI Eligibility Determination services output modification – Budget (CR420): SDLC activities for a new requirement. Specifically, MAGI Eligibility Determination services output to be modified to expose additional determination variables required by the State of Michigan/MAXIMUS.
7. MAGI Eligibility Determination services output modification – Determination Reasons for Correspondence (CR448): Bridges needs to know how to retrieve appropriate level of detail for correspondence. SDLC activities for a new requirement. Specifically, MAGI Eligibility Determination services output has been modified to expose additional determination variables required by the State of Michigan for correspondence.
8. Pend Changes – Multiple Pend Flag Rollup (CR521): SDLC activities for a new requirement. Pend Indicators at the person level and application level should roll up into one pend indicator for person and one pend indicator for application.
9. Pend Changes – Complex Household Composition (CR528):
 - Multi tax
 - Multi generation

Michigan will be unable to determine Medicaid eligibility for certain case types.

C. Impact Analysis

Impact on Cost

Additional Rules Developed above contract Section 1.104 allowance: The Federal MAGI Rule base contains 967 rules. To support the State-specific rule base, 171 rules were planned (approximately 15%), based on Section 1.104. Actual requirements necessitated a total of 341 rules be designed, configured, tested and integrated into the total rule base, 116 additional rules developed for State of Michigan.

\$102,000.00

Extension of test and implementation support due to delay in Go Live (Issue 354): Extension of CGI and Oracle implementation and test support services from 10/1/13 to 12/31/13, to be coordinated with support for Release 2. Note: 60-day development and support of rules to begin 1/1/14.

\$1,717,045.00

Total: \$1,819,045.00

Impact on Schedule

TBD

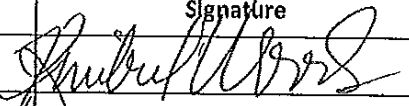
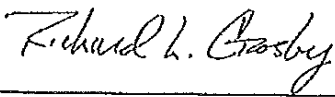
Impact on Resources

TBD

D. Approval Information

Final Approval Decision:

X	Approved	Rejected
Comments:	The included project change requests were reviewed and approved by MCP Operational Leadership and MCP Program Ownership. Changes are within TCO and the Contract spending authority.	

Role	Name/Title	Signature	Date
For the State	Kimberly Koppsch-Woods		11/21/13
For CGI Technologies and Solutions, Inc.	Richard Crosby		11/22/13

State of Michigan
Modified Adjusted Gross Income (MAGI) Eligibility Determination Service
Project Change Request

A. General Information

Project ID/Acronym:	MAGI Rules Engine	Date:	October 1, 2013
Controlling Agency:	Community Health	Modification Date:	
Prepared by:	CGI	Control Number (from Control Log):	#451 (Issue #354)

Privacy Information

This document may contain information of a sensitive nature. This information should not be given to persons other than those who are involved with this system/project or who will become involved during its lifecycle.

Change Control

Revision Date	Author	Section(s)	Summary

B. Requestor Information

Proposed Change Description and References

Identification of scope required for Release 2. The work described shall be broken into two phases. Phase 1 is the gathering of requirements. Phase 2 is the design, develop, test and implementation.

Scope of Work:

A more detailed description of the services (work) and deliverables sought for this SOW is provided below and the projected release date.

Release 2:

1. The solution is planned to be installed and in operation by December 15, 2013.
2. The Vendor will provide system development lifecycle activities (SDLC) including Detailed Business Requirements, Application Design, Application Development, Testing, Implementation, Training, Documentation and Knowledge Transfer/Transition. CGI will make the following modifications to the MAGI Eligibility Determination Services:
 - a. Real Time Determinations: SDLC activities to implement real time determinations for Medicaid and CHIP and Presumptive for all applicant methods.
 - i. Issue #466 MIMAGIResultPortType service to accept an optional GUID parameter (HUB Prioritization):
 - ii. Issue #467 Add a Priority Distinction to ED Request service (HUB Prioritization)
 - b. Presumptive Eligibility: SDLC activities to implement a presumptive eligibility rule set for pregnant women (PW) and individuals under 19 (U19). The design must be extensible to accommodate the addition of all other presumptive categories in future releases.
 - c. Retro Applications: For applications where an applicant requests up to the prior three months help paying for medical bills, a process is needed to consolidate and/or prioritize applications for all determination months.
 - d. MAGI Eligibility Data or Determination Overrides: The MAGI Rule Engine must have ability to accept manual user overrides of data that was validated by DCH Staff/Designees.

Tasks:

CGI will coordinate with the State on the necessary tasks to complete the scope of work. At a minimum, CGI and State will comply with the Contractor Approach as outlined in the application Sections of the Contract under 1.104 Work and Deliverables.

Phase 1: Detail Business and Technical Requirements:

The primary goal of this stage is to develop a basis for mutual understanding between the business owner/users and the project team concerning the requirements for the project. To accomplish this, an approved Requirements Specification document will be developed. This will be used as the baseline for product design, testing, and acceptance.

This stage involves analysis of the business owner/users' business processes and needs, translation of those processes and needs into formal requirements, and planning the testing activities to validate the performance of the product.

This stage will also allow CGI to provide an estimate in dollars and duration as to the work required to complete these changes, consistent with the State's schedule objectives.

Phase 2: Design, Development, Testing and Implementation:

The goal of this phase is to design, development, test implement and integrate the modifications to the OPA rules as well as the web services to complete these changes. The system requirements documented in Phase 1 will be used as the roadmap for this phase of the work.

The CGI team will design, develop and unit test and integrate the OPA rules required to complete these changes. Additionally, new web services for real time determinations will be developed and tested. The completed enhancements to the MAGI Eligibility Determination Services are anticipated to be completed by November 15, 2013 in order to begin the State of Michigan System Integration and User Acceptance testing.

Deliverables:

Phase 1: Detail Business and Technical Requirements

CGI will provide the following deliverables for Phase 1:

- Detailed Business Requirements
- Requirements Traceability Matrix
- Structured Walkthroughs for above documents

Phase 2: Design, Develop, Test and Implementation

CGI will provide the following deliverables for Phase 2:

- Application Design
- Application Development
- Testing
- Implementation
- Training
- Documentation

The deliverables produced during Phase 1 will either be updated or new deliverables will be prepared consistent with the format and content of Phase 1 deliverables at the discretion of the State.

Assumptions:

- The solution referred to as "Release 2" must be planned for installation and operation by December 15, 2013.
- Training for Release 2 will be done, as appropriate, by augmenting the training to be conducted for Release 1.
- Project schedules will be planned to align with the Medical Compliance Program level schedule.
- CGI team will provide 60 person days of post-production support beginning January 1, 2014, for rule base maintenance and knowledge transfer per Section 1.104.J (Operation Services).
- 26 new rule sets will be developed and tested for Presumptive Eligibility.
- Additional SOM support requests made during the performance period of this CR may impact CGI's ability to achieve the planned Release 2 schedule. The SOM will employ the CR process as appropriate to accommodate schedule and cost impacts.
- Presumptive Eligibility requirements are as documented in attached R2 Presumptive Eligibility Requirements Matrix shown below.

Impact of Not Implementing Proposed Change:

Michigan will be unable to determine Medicaid eligibility for certain case types.

C. Impact Analysis

Impact on Cost

As outlined in Section 2.024 of the Contract, scope and price of potential Change Requests will be mutually agreed to by the State and Contractor, and the price of any such Change Requests will be determined by the number of hours required by position and the associated position-specific rates.

Zero cost. Resources are in place through December 31, 2013; costs are absorbed by fixed cost for extension of SDLC support activities.

Impact on Schedule

November 14: Delivery of Release 2 rule set

November 15: Beginning of SIT/UAT

December 15: Go live for Release 2

Impact on Resources

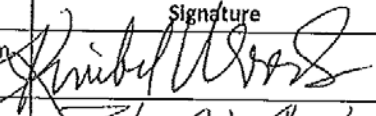
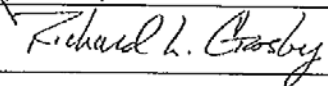
Resources are in place through December 31, 2013

Additional Resource Requirements	Work Days	Cost
TBD		
	Work Days	Cost
TOTAL		

D. Approval Information

Final Approval Decision:

<input checked="" type="checkbox"/>	Approved.	<input type="checkbox"/>	Rejected
Comments:	The included project change requests were reviewed and approved by Medicaid Compliance Program Sponsors. Changes are within TCO and the Contract spending authority.		

Role	Name/Title	Signature	Date
For the State	Kimberly Koppsch-Woods, Program Director		11-20-13
For the Vendor	Richard L. Crosby, Account Executive		11/22/13

AUTHORITY: Act 431 of 1984
 COMPLETION: Required
 PENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 1
 to
CONTRACT NO. 071B3200100
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
CGI Technologies and Solutions Inc. 11325 Random Hills Road Fairfax, VA 22030-6051	Richard Crosby	Richard.crosby@cgi.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(618) 719-6714	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Larry Lemieux	(517) 241-4547	LemieuxL@michigan.gov
BUYER	DTMB	Steve Motz	(517) 241-3215	MotzS@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Modified Adjusted Gross Income (MAGI) Eligibility Determination Service			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
5/31/2013	5/30/2016	2 One-Year	5/30/2016
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>	N/A	5/30/2016
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		

\$0.00

\$12,476,930.00

Effective immediately this contract is amended to include the attached quote for Additional Services Request for MPLS Circuit Installation and services. Please note, this will be funded through the use of the Other Services as described in Section 1.104(I)(M) (Table 4) of the Contract. Table 4 total has been adjusted from \$5,670,000.00 to \$5,035,038.00 as a result of this Change Notice.

All other terms, conditions, specifications and pricing remain unchanged.



July 2, 2013

Ms. Kimberly Koppsch-Woods
State of Michigan
Department of Technology, Management and Budget
P.O. Box 30026
Lansing, Michigan 48909

Subject: Additional Services Request for MPLS Circuit Installation; Contract No. 071B3200100 MAGI Eligibility Determination Service

Dear Ms. Koppsch-Woods:

This letter provides CGI's quote for Additional Services requested by the State of Michigan under the referenced contract for the installation and management of two secure MPLS circuits.

Scope

CGI will procure, install, and manage two 50Mbps AT&T MPLS Circuits to achieve the MI MAGI Circuit requirements in support of the MI MAGI Eligibility Services project. Please find attached A PDF diagram is attached which illustrates the State of Michigan CGI GIS Managed AT&T Circuit to be implemented. Services and products to be provided by CGI include:

- Installation, transition, and ongoing operational management of the circuits;
- AT&T Managed Router services for two 50Mbps Circuits from 2 State of Michigan Locations to CGI Phoenix Data Center and to CGI Disaster Recovery Datacenter; and,
- VPN (2 site) connectivity between CGI Phoenix Data Center and State of Michigan for 6 months at 1Mbps (temporary connectivity until MPLS circuits are operational)

Price

Initial Setup: \$38,000

Monthly: \$15,793

Term: Installation/Activation through contract term (May 2016)



Assumptions

- CGI will order and manage the Network provider AT&T
- State of Michigan (SOM) will accept the AT&T connectivity at the Prime and Secondary sites
- SOM will be responsible for accepting the Network into their infrastructure and will secure the AT&T router into the SOM Firewalls
- SOM will work with CGI to supply contact information as required
- SOM will test Network connectivity with CGI
- Network connectivity is as attached PDF
- AT&T has advised that a MPLS Circuit is 120 days from receipt of Purchase Order; CGI will work with the SOM and AT&T to improve this timeframe

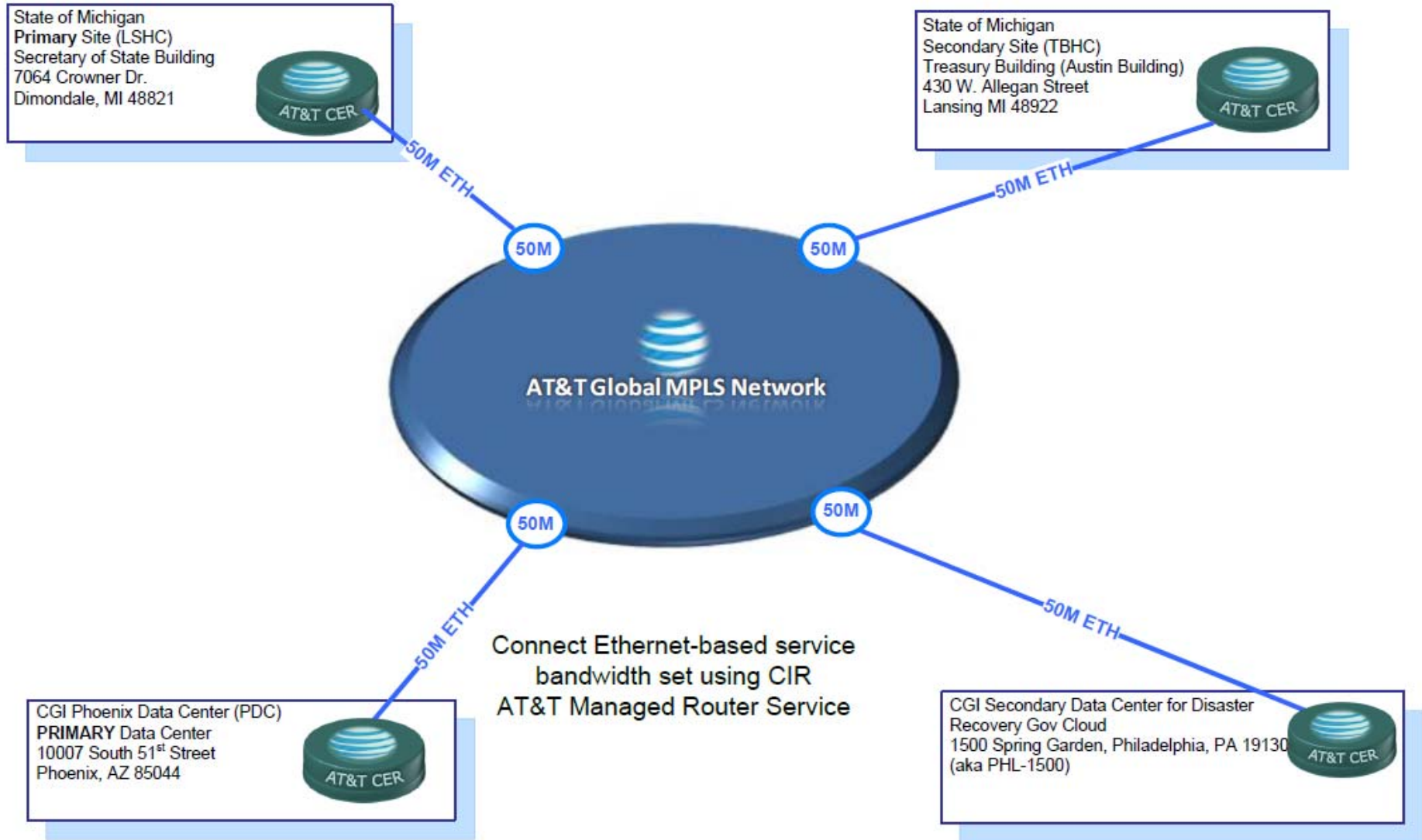
Please let me know if there are any questions with this quote. We look forward to working with the SOM, and AT&T, to incorporate this technology into the MAGI service solution, and in a timely fashion.

Sincerely,

Richard L. Crosby
Account Executive
CGI Technologies and Solutions Inc.

Attachment

Proposed State of Michigan Secure AT&T Circuit



Version – July 2, 2013 (Change Notice #1)
Attachment D – Contract Pricing
MAGI Eligibility Service

Table 1: Summary Cost Table for MAGI Eligibility Service

MAGI Eligibility – Contractor Provided Summary Costs	Cost (\$)	Comments
Hardware	<i>SaaS Solution</i>	
Software <i>(Table 2)</i>	\$1,034,110	
Work & Deliverable Costs <i>(Table 3)</i>	\$3,145,300 \$3,243,300	<ul style="list-style-type: none"> • Payment is contingent on all Work & Deliverables completed prior to 10/01/2013. • Any changes within the Work and Deliverables 10/ schedule must be mutually agreed upon in a written Change Order contract. • Table 3 has been modified to include \$38,000 to in circuit. As well as \$60,000 for contingency dollars to be made available for additional installation or ongoing circuit charges. • If a new schedule is agreed upon for specific sections associated costs will be defined in the Change Order payment withheld based on the new Change Order schedule.
Operations	\$2,024,400	<ul style="list-style-type: none"> • This total cost is calculated from recurring amounts \$72,300. • Per the proposed schedule, 28 monthly fee periods incurred in the 3-year base contract term. • Operational services will commence upon the “go-live” date, which is scheduled 10/1/2013. • The State is liable for the Operation Service fees commencing on 1/1/2014 if the solution has been implemented. • The warranty period starts 10/1/2013 and thus that acceptance is tied to this date. Contractor has cost support during the Q4 period, but has structured the to start monthly billings Jan 2014, to align with the anticipated complete of Warranty.
Circuit Charges	\$536,962.00	<ul style="list-style-type: none"> • This total cost is calculated from recurring amounts \$15,793 for total circuits. • Per the proposed schedule, 34 monthly fee periods incurred in the 3-year base contract term.
Recurring Maintenance and Support Costs	\$603,120	<ul style="list-style-type: none"> • This total cost is calculated from recurring amounts \$21,540. • Per the proposed schedule, 28 monthly fee periods incurred in the 3-year base contract term. • Maintenance and Support services will commence on the “go-live” date, which is scheduled 10/1/2013. • The State is liable for the Recurring Maintenance and Support fees commencing on 1/1/2014 if the solution has been implemented.
Total Vendor Provided Solution Cost	\$6,806,930 \$7,441,892	
Other Optional Costs <i>(Table 4)</i>	\$5,670,000 \$5,035,038	<ul style="list-style-type: none"> • This budgetary item includes 35,000 staffing hours available for use at the option of the State of Michigan.

Statement of Work, Contract # 071B3200100

FILENAME: SOW_Amend1_CGI Magi R4 RebaseLine Revised Staff MthExt_CR1060

		<ul style="list-style-type: none"> This is reduced by \$634,962 based on the changes as documented in Change Notice #1
Total Vendor Provided Solution Cost with Optional Costs	\$ 12,476,930.00	

Table 2: Software Licensing Cost

Software Description	Manufacturer	License Type (perpetual, subscription)	License Basis (enterprise, users, CPU, etc.)	Number of Licenses Required	Total One-Time License Cost
Oracle Policy Automation - Enterprise ¹	Oracle	Perpetual	Enterprise Operating Budget	1	\$ 771,653
Oracle Policy Modeling - Application User Perpetual	Oracle	Perpetual	Users	5	155,137
JBOSS Enterprise SOA Platform with Management, Premium	RedHat	Subscription	Core	2 16-core licenses	47,059
ALMComplete Perpetual - Concurrent User License	SmartBear	Perpetual	Concurrent Users	6	10,588
LoadComplete - Design Seat - Floating License	SmartBear	Perpetual	Floating	3	3,526
LoadComplete - Load Controller - Node-Locked License w/ 10,000 Virtual Users	SmartBear	Perpetual	Virtual Users - 10k pack	1	42,706
SoapUI-Pro Named User Subscription License	SmartBear	Subscription	Named User	3	3,441
TOTAL SOFTWARE LICENSE COST :					\$ 1,034,110

Enterprise pricing for Oracle Policy Automation is based on combined LARA/DCH/DHS Operating budget and allows full use limited to the MAGI/CHIP project by LARA, DCH, and DHS.

Table 3: Work & Deliverable Costs

A	Detail Business Requirements	\$743,902.00
B	Hardware (Note this does not include actual hardware costs)	
C	Software (Note this does not include actual software costs which are included in table 2)	
D	Application Design	\$270,510.00
E	Application Development	\$175,832.00
F	Testing	\$162,306.00
G	Implementation	\$1,352,550.00
H	Training	\$172,900.00
I	Documentation	\$172,900.00
L	Knowledge Transfer/Transition	\$94,400.00
M	MPLS Circuit	\$38,000.00
	Contingency dollars that can be made available for additional installation or ongoing circuit charges related to CN#1.	\$60,000.00
		\$3,145,300.00
		\$3,243,300.00

The Contractor will invoice the State upon State acceptance of the deliverables within payment milestone.

Table 4: Other Optional Costs (Agency to add any additional services and software to be required)

Roles	Total # of hours	Not-to-Exceed Hourly Rate (\$)	Total cost (\$)
21. Project Management		\$250.00	
22. Technical Lead		\$240.00	
23. Business Analysts		\$120.00	
24. System Analysts		\$150.00	
25. Programmer/Developers		\$120.00	
26. System Administrators		\$110.00	
27. Database Administrators		\$150.00	
28. Q/A Manager		\$150.00	
29. Security Specialist		\$240.00	
30. Testers		\$110.00	
31. Technical Writers		\$80.00	
32. CM Specialists		\$110.00	
33. System Architects		\$240.00	
34. Network Engineer/Administrator		\$100.00	
35. Software Architects		\$170.00	
36. Project Assistants		\$60.00	
37. Web Developers		\$110.00	
38. Application Trainers		\$80.00	
Others: (List below)			
39. OPA Specialist		\$330.00	
40. Senior Consultant		\$320.00	

The non-weighted blended rate for the positions listed in Table 5 equates to \$162.00 per hour. This blended rate was multiplied by the 35,000 estimated hours to provide the ~~\$5,670,000~~ **\$5,035,038** amount that has been included in the summary cost table. This is not a commitment from the State for future Change Requests.

As outlined in Section 2.024, scope and price of potential Change Requests will be mutually agreed to by the State and Contractor, and the price of any such Change Requests will be determined by the number of hours required by position and the associated position-specific rates.

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

June 11, 2013

**NOTICE
OF
CONTRACT NO. 071B3200100
between
THE STATE OF MICHIGAN
and**

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
CGI Technologies and Solutions Inc. 11325 Random Hills Road Fairfax, VA 22030-6051	Richard Crosby	Richard.crosby@cgi.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(618) 719-6714	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Larry Lemieux	(517) 241-4547	lemieuxl@michigan.gov
BUYER:	DTMB	Steve Motz	(517) 241-3215	motzs@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION:			
Modified Adjusted Gross Income (MAGI) Eligibility Determination Service			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 Years	5/31/2013	5/30/2016	Two One-Year
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45	Shipment	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:			\$12,476,930.00

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

CONTRACT NO. 071B3200100
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
CGI Technologies and Solutions Inc. 11325 Random Hills Road Fairfax, VA 22030-6051	Richard Crosby	Richard.crosby@cgi.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(618) 719-6714	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Larry Lemieux	(517) 241-4547	lemieuxl@michigan.gov
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Net 45	Shipment	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:			\$12,476,930.00

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #RFP-SM-C20130208-104258. Orders for delivery will be issued directly by the Department of Technology, Management & Budget through the issuance of a Purchase Order Form.

Notice of Contract #:071B3200100

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



STATE OF MICHIGAN
Department of Technology, Management and Budget
Procurement

Contract No. 071B3200100

Modified Adjusted Gross Income (MAGI) Eligibility Determination Service

Buyer Name: Steve Motz

Telephone Number: 517-241-3215

E-Mail Address: motzs@michigan.gov



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Article 1 – Statement of Work (SOW)

1.000 Project Identification

1.001 PROJECT REQUEST

The State of Michigan (SOM) will implement Michigan specific functionality in partnership with the Federal government to provide Michigan residents with a variety of health insurance options as required by the Affordable Care Act. The SOM will implement a standalone MAGI Determination Service provided by the vendor. This service will be utilized by State of Michigan applications making MAGI related determinations and MAGI related redeterminations. Applicants using any of Michigan's current determination services and will be used to process applicants coming from the Federal Exchange.

The Michigan technology plan for implementing this solution will focus on leveraging to the extent possible the existing applications, data, business processes and infrastructure already in place within the SOM IT Environment. The SOM is a consolidated IT enterprise with robust processes and services. Implementing this solution should build on these existing pillars as a solid foundation and the proposed solutions should allow for system and process flexibility as well as extensibility, should the State make policy decisions that implement other exchange models in the future.

The (SOM) Department of Technology, Management and Budget (DTMB) supporting the Department of Community Health (DCH), Michigan Department of Licensing and Regulatory Affairs (LARA) and Michigan Department of Human Services (DHS) has issued this RFP. Vendors are invited to propose solutions for either the SOM Hub Solution or the MAGI Eligibility Service or both.

1.002 BACKGROUND

MAGI Eligibility Service:

The MAGI Eligibility Service will be created to determine MAGI Medicaid eligibility and CHIP eligibility as well as appropriate groups and categories. The MAGI Eligibility Service will determine MAGI Medicaid and CHIP eligibility based on the State's applicable Medicaid and CHIP based income standards, citizenship and immigration status, other eligibility requirements as well as robust and standard verification rules and procedures consistent with 42 CFR parts 435 and 457. This service will possibly utilize verification functions supplied by the Federal Data Hub and accessed through the SOM Hub Solution also requested as part of this RFP. Alternately, it may utilize SOM trusted data sources to verify information related to the determination of MAGI Medicaid and CHIP eligibility. Non-MAGI eligibility will be determined per the existing business process within the State.

The MAGI Eligibility Service must be easily modifiable to incorporate evolving business practices through updates provided by non-technical staff. Possible evolutions of business processes include but are not limited to the possible expansion of population served as well as the ability to identify co-payments for beneficiaries.

This service will be utilized by all current Michigan systems currently performing eligibility determinations and will also be utilized by the Federal Portal for final determination of MAGI Medicaid/CHIP eligibility. All Michigan systems currently performing the eligibility determination function or Medicaid processing function will receive determinations simultaneously regardless of the system or process which requested the determination. For each determination, the data used to make the determination (including data used for the purpose of validation, the outcome of each decision made by the determination service as well as time stamp information) will be stored in an archive for later use in the administrative hearing process and for use in future eligibility redeterminations. Future eligibility determinations for Medicaid / CHIP will be performed by the MAGI Eligibility Service cyclically and this same service will generate all appropriate electronic inputs for printed materials for re-determinations which cannot be determined automatically.

SOM Hub Solution

Deloitte is the Contractor responsible for implementation of the SOM Hub Solution. The implementation of the SOM Hub Solution will include a State Messaging Gateway as the single source of contact between the Federal Data Hub and the State of Michigan for both the health insurance exchange and Medicaid/Chip



activities. Communication with the Federal Data Hub will utilize NIEM schemas and authentication through VeriSign. This solution will, at a minimum, provide connectivity to the Data Warehouse as well as the individual sources of data directly. Similarly, the Michigan MAGI Eligibility Service will be made available to DHS and DCH systems through this infrastructure as well. The Michigan Medicaid roster will be made available to the Federal Data Hub through a web service also available through this gateway. Similarly, Michigan is expecting the Federal data verification services to be made available to the MAGI Eligibility Service through the gateway.

1.100 Scope of Work and Deliverables

1.101 IN SCOPE

This project consists of the following scope:

- A. Detailed Business and Technical Requirements
- B. Hardware
- C. Software
- D. Application Design
- E. Application Development
- F. Testing
- G. Implementation
- H. Training
- I. Documentation
- J. Operation Services
- K. Maintenance and Support
- L. Knowledge Transfer/Transition
- M. Other Services

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

1.102 OUT OF SCOPE

The State of Michigan will supply a complete decision matrix in a human readable format detailing the MAGI Medicaid / CHIP eligibility determination.

Given the integrated nature of the MAGI and Hub solutions, the Contractor will be responsible for performance of the solution components it contracts to provide.

1.103 ENVIRONMENT

The Contractor shall adhere to the Enterprise IT Policies, Standards, and Procedures specifically defined by the State in the Enterprise Architecture Strategic Approach. The Contractor understands and acknowledges that the State has precise methods, policies, standards, procedures, and product criteria, and will use these precise methods, policies, standards, procedures, and product criteria in adhering to the State's applicable IT policies and standards. The Contractor acknowledges that all non-standard development tools may not be used unless a written request is submitted to the State outlining the methodology and applicable use, and the Contractor receives the written approved by DTMB.

The Contractor has read and fully understands the State's IT Policies, Standards, and Procedures. The Contractor understands that software and hardware used in this solution must be compatible with the State's IT Policies, Standards, and Procedures, and adhere to the DTMB Technology SUITE methodology. The Contractor has reviewed the State's SUITE Project Management Methodology standards and fully agrees to follow SUITE PPM methodology for delivering all systems engineering, process management controls, project communication, status reporting, security, and any additional supporting processes.

The Contractor agrees to comply with the State's Enterprise IT Security policies, standards, procedures, plans, and tools.



The Contractor's solution will adhere to the standards and guidelines of HIPAA and Sections 1104 and 1561 of the Affordable Care Act. The Contractor supports and will strictly adhere to the use of these standards in both vendor use and development of the content usability, accessibility, transparency, data security, communication, and customer privacy.

The Contractor has reviewed and understands the guidelines stated in the Sections 1104 and Section 1561 of the Affordable Care Act. The Contractor's solution will meet the current requirements of the ACA.

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

Enterprise IT Policies, Standards and Procedures:

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

Enterprise IT Security Policy and Procedures:

http://www.michigan.gov/documents/dmb/1310_183772_7.pdf

http://www.michigan.gov/documents/dmb/1310.02_183775_7.pdf

http://www.michigan.gov/documents/dmb/1325_193160_7.pdf

http://www.michigan.gov/documents/dmb/1335_193161_7.pdf

http://www.michigan.gov/documents/dmb/1340_193162_7.pdf

http://www.michigan.gov/documents/dmb/1350.10_184594_7.pdf

IT Strategic Plan:

<http://www.michigan.gov/itstrategicplan>

IT eMichigan Web Development Standard Tools:

http://www.michigan.gov/documents/som/Look_and_Feel_Standards_302051_7.pdf

The State Unified Information Technology Environment (SUITE):

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

Agency Specific Technical Environment

In any development, Michigan will comply with standards endorsed or adopted by the Secretary of HHS pursuant to Sections 1104 and 1561 of the ACA, HIPAA transaction standards, National Institute of Standards and Technology (NIST) publications for security and controls, and all standards to ensure accessibility as well as security and privacy standards are consistent with Federal law including the Patient Protection and Affordable Care Act, Section 508, 504 and Title II of the Americans with Disabilities Act. Michigan will collaborate with other states using the NIEM framework. Architects will research and determine the best-practice methods for implementing the Michigan SPE solution in compliance with all relevant standards.

The Michigan MAGI Eligibility Service functionality shall be deployed as a standalone service.

1.104 WORK AND DELIVERABLE

0. Solution Overview

- **The solution must be installed and in operation by 10/1/2013.**
- **Contractor must adhere to the delivery schedule mandated within CMS's Seven Critical Success Factors.**
- **October 1, 2013 deliverables must include the following functionality;**
 - **The ability to perform a MAGI Eligibility Determination**
 - **The ability to perform a MAGI Eligibility Re-Determination**
 - **The ability to perform a Medicaid Eligibility Check (MEC)**
 - **The ability to connect to the SOM Hub Solution**
 - **The ability to utilize data from trusted data sources for data validation during determinations**



- **The ability to generate electronic files containing the data necessary to support physical correspondence for both determinations and redeterminations**
 - **The ability to store all account transfer information, all trusted data source validation information, all decision outcomes, determination outcomes and logging information for each application in order to support both the redetermination process and MEC check process**
 - **The ability to meet all IRS, NIST and State of Michigan security requirements including the generation of necessary audit and accounting reports**
- The solution must follow industry standards for web service interaction and standard SOAP protocols.
 - The Contractor will use Oracle Policy Automation (OPA), pre-loaded with the Federal MAGI rules. In concert with MITA reuse principles, The Contractor will utilize the State of Oregon implementation of OPA which means Michigan will not be charged for work already developed for Oregon and will benefit from time savings and monetary savings. The out of the box solution will be pre-loaded with 85% of the required MAGI eligibility rules.

MAGI ELIGIBILITY SERVICE SOLUTION OVERVIEW

The solution will leverage design, development and implementation (DDI) work already completed for the State of Oregon that can be reused to address MAGI rules and workflows

The Contractor will leverage start-up requirements and design artifacts from the Oregon project, the Contractor will also utilize a rules engine inclusive of a base set of the new healthcare MAGI rules, its industrial strength rules framework with a suite of production proven Oracle products. In addition, the MAGI Eligibility Service Solution provides a Centralized Data Store (CDS). The CDA stores all Account Transfer information as defined by the CMS, and additional eligibility data the State of Michigan requires for persistent data storage.

The Centralized Data Store component of the MAGI Eligibility Service will receive data files from the SOM source systems for storage in the database. The Contractor shall expect that the identification of data entities and attributes to be a combined effort between SOM and the Contractor during the requirements and detail design phases of the project. The Contractor shall not expect the source system to extract the required data entities. That is, the project schedule and staffing does not anticipate that the Contractor will have to understand the database schema or write direct access routines (e.g. ODBC/JDBC) to the source systems. The Contractor's solution has the capability to easily transform data. The Contractor does not anticipate complex transformations and is therefore willing to assume this risk.

The Contractor's MAGI Eligibility Service solution includes a policy mapping and cataloging capability to allow the State to quickly see the impact of legislative change across systems and services – including business rules, workflows, reports and other business ramifications. The Solution architectures are not "locked-in" to only using Contractor's established components, but will allow the State to leverage current and future technologies used by the agencies.

The Contractor's MAGI Eligibility Service is a modular, SOA-based component that provides MAGI eligibility business functionality. This independent service has been engineered to support eligibility determinations regardless of the door from which the application originates. This approach will reduce risk should the SOM transition to a State Based Exchange as the same service could be utilized to determine eligibility.

The MAGI Eligibility Service utilizes Oracle Policy Automation (OPA) as its rules engine. OPA's unique natural-language authoring capabilities enable subject matter experts (not just application developers) to develop rules directly from complex legislative text, policy documents and regulations using Microsoft Office Word and Excel – not technical tools. This natural language approach means that there is no scripting or programming needed. Oracle Policy Automation allows business users to maintain the rules in natural language in familiar Microsoft Word and Excel. OPA uniquely allows the source business rules to link to original regulation, law or policy. The approach of using a centralized repository of loosely coupled and reusable business rule content is designed to offer maximum agility in this changing environment. The



Contractor will include a policy mapping and cataloging capability to allow the State to quickly see the impact of legislative change across systems and services – including not only changes to business rules, but the impact on workflows, reports and other solution aspects.

The Contractor's solution will enable subject matter experts to use Oracle Policy Modeler to articulate subject matter knowledge in unambiguous, executable statements of rules, following the conventions of the rule base vocabulary. The Contractor's solution also enables subject matter experts (rule modelers) to unit test rules on examples to verify correctness. The subject matter expert/rule modeler is defined as being familiar with the logic and terminology in the rule base, be meticulous, and be a local expert on part of that logic. Ideally, a rule modeler should:

- Be able to take a common sense approach in modeling rules. If they are building applications, we want them to make sense to an ordinary person.
- Be comfortable understanding the style of drafting used in the material they are working with, whether this is legislation or policy or other. Domain expertise is an indicator of a level of comfort, but isn't necessarily required a priority. No programming skills are required.
- Have solid communication skills. Specifically, the ability to paraphrase and break down sentences into more meaningful fragments is a must-have.
- Be analytical. They need to have the ability to break down the structure and meaning of the material they are working with into the various components.
- Be logically minded. Creating a rule base is a bit like building a logical proof. They need to be able to work with the logical relationship between sentences (the sky is black if it is night-time) and the logic within a sentence (sensible sentence negation).
- Be comfortable with technology. Through training and working closely with the System Integrator, have a willingness to learn and use the technology.

The MAGI Eligibility Service shall easily handle both MAGI and non-MAGI definitions and determine eligibility online and in real time for a family whose members may be eligible for multiple Medicaid categories using both MAGI and non-MAGI Medicaid rules.

Each stakeholder – members, service providers, assistors, and State employees – will have the tools necessary to help those seeking benefits such as Medicaid or other social services programs deemed necessary via the State. The MAGI Eligibility Service architecture shall provide the State with the ability to span multiple health and human services programs while providing an integrated, holistic, member centric approach for delivering these services.

The MAGI Eligibility Service shall support multiple rule types for optimal business agility and performance. Rule types include:

- Inference rules (chained rules that infer data/facts)
- Computation rules (basic arithmetic and mathematical functions)
- Validation rules (warning and error messages when validations are not met)
- Filtering rules (provide that a number data field cannot accept a letter)
- Integration rules (map external system terms to internal rules)
- Tabular rules (Excel is used to define truth tables, reference lookups, and other rules that are best modeled in tabular form)

The MAGI Eligibility Service data repository contains but is not limited to the following:

- Account Transfer data elements as included in the Federal Data Service Hub Account Transfer Business Service
- Resulting determination outcomes from the MAGI Eligibility Service
- Up to 25 additional data elements from other SOM systems

The Contractor's solution shall enable the SOM to configure the number of months (according to SOM data retention policies) to retain historical eligibility determination data in the active database.



The reports and correspondence for the MAGI Eligibility Service include but are not limited to the following:

- Eligibility determination outcomes
- Request for information
- Dispute Resolution
- Redetermination

The Contactor's Redetermination solution shall include the ability to provide data needed for redetermination correspondence. The solution shall support communication methods such as SFTP, FTP/S, message queuing, etc. The Contractor shall develop the transfer mechanism by working with the SOM and the SOM print/mail facility to determine specific requirements for the transfer. The Contractor and the SOM will mutually agree on the final approach.

I. Services and Deliverables to Be Provided

A. Detail Business and Technical Requirements

High level business requirements will be provided by the State of Michigan to the awarded vendor. These requirements will include relevant information from the Federal CALT site and will be consolidated into a SEM402 which is the standard SOM SUITE Requirements Specification document.

The primary goal of this stage is to develop a basis for mutual understanding between the business owner/users and the project team concerning the requirements for the project. The result of this understanding is an approved Requirements Specification that becomes the initial baseline for product design and a reference for determining whether the completed product performs as the system owner requested and expected. All system requirements, (e.g., software, hardware, performance, functional, infrastructure, etc.) should be included.

This stage involves analysis of the business owner/users' business processes and needs, translation of those processes and needs into formal requirements, and planning the testing activities to validate the performance of the product.

Contractor Approach

The Contractor will continually evaluate the solution status to identify the components with the most mature requirements throughout the SOM stakeholder community, and reprioritize them to proceed down the software development lifecycle (SDLC) path without waiting until all requirements or designs are completed. This will be a highly collaborative process with the State of Michigan project management team to adjust priorities to align with the other complementary initiatives required to utilize Contractor's solutions. This approach recognizes the embryonic stage of the implementation of the ACA model, and provides the State and other vendor partners of the State with the flexibility required to adapt to the inevitable, late refinements in requirements. At all times the Contractor will work collaboratively with the State, emphasizing the importance of a transparent partnership approach amongst all of the project stakeholders.

As described by SUITE, the goal of the Requirements Definition phase is to assess and document functional and non-functional requirements that the application needs to support. To achieve this goal the Contractor will review and document requirements well enough so that the developers and stakeholders in the solution agree to that description. The work consists of requirements elaboration, verification, traceability, and validation. Requirements elaboration expands requirements into complete descriptions using methods, such as business process models and use cases. Requirements verification checks to confirm requirements meet specific quality factors, for instance, that requirements are complete, necessary, non-redundant, readable, terse, testable, traceable, unambiguous, understood, and within scope. Requirements validation tests the developed solution to confirm that it correctly implements all of the agreed to requirements. Requirements validation requires requirements traceability, which starts by allocating requirements to components and then tying test scenarios for the components back to original requirements so that in the end the Contractor can verify that all agreed-to requirements have been built and tested.



The Contractor will start with a baseline MAGI OPA Eligibility configuration and implementation from the State of Oregon. During requirement workshops, The Contractor will review requirements, conduct gap analysis and leverage use cases from Oregon. Reusable items include requirements, entity models, process models, use cases, functional designs, technical designs and the latest iteration from the Oregon project. The Contractor will leverage these items in the requirements verification, design and builds. As each workshop progresses, the Contractor will go into finer levels of detail in each area to address alignment with SOM requirements.

Within the full eligibility determination rule base from Oregon there is a reusable element and a state-specific policy element. The State-specific elements include particular text, labels, and state policy choices. The Contractor shall adjust the vocabulary, implement the State-specific rules, train the State in this specific rules content; and train the State in approaches to maintaining the content.

The Contractor’s approach to finalizing the business rules shall include a rapid gap analysis between the Oregon rules and Michigan requirements, which would include the following steps:

- Discover desired SOM choices for options allowed in the MAGI Regulations
- Elaborate SOM requirements for eligibility service inputs and outputs
- Elaborate and harmonize SOM and federal requirements for verifying reasonable compatibility
- Discover gaps between SOM specified business rules for eligibility and implemented federal rules from Oregon
- Make extensive use of the Oregon rule base as a “conference room prototype”
- Capture all results in an OPA Scope of Work for review and approval

State and Contractor Roles

State Roles	Contractor Roles
Provide Subject-Matter-Expertise to communicate detailed business requirements.	Document and confirm with SOM detailed business requirements.
Review and provide feedback to draft documentation and plans.	Incorporate State feedback into documentation and plans.
Establish the necessary prioritization of participation in requirements validation activities.	Develop a detailed schedule for the requirements review and validation activities, including the state stakeholder participation requirements.
Provide Michigan specific Medicaid and CHIP MAGI eligibility rules.	Configure and develop system components based on requirements and design documents.
Review and approve the OPA rule configurations.	Unit test the rules to verify compliance with functional and system design specifications.
Actively participate in resolution of questions and conflicts identified during the development processes.	Regression test all requirements to catch errors or conflicts prior to system integration testing.

Deliverable(s)

At a minimum the Contractor will provide the requirements stated above and provide the following deliverables:

- Detailed Business Requirements
 - Define Functional Requirements
 - Define Input and Output Requirements
 - Define Performance Requirements
 - Define User Interface Requirements
 - Define System Interface Requirements
 - Define Communication Requirements
 - Define Computer Security and Access Requirements
 - Define Backup and Recovery Requirements
 - Define Preliminary Implementation Requirements



- Requirements Traceability Matrix [revised]
- Approved Structured Walkthroughs for above documents.

Acceptance Criteria

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

B. Hardware

The Infrastructure solution must be available and fully functional by the date specified in the mutually agreed Project Plan.

Contractor Approach

The Contractor will implement the MAGI solution in the CGI Government Cloud. The CGI Government Cloud is in operation today and ready to support the MAGI Eligibility Service. After awarding the Contractor's Government Cloud to a Federal blanket purchase agreement, the U.S. General Services Administration (GSA) granted it Authority to Operate (ATO) status. This certifies compliance with all GSA security requirements, including Federal Information Security Management Act (FISMA) standards and Health Information Privacy and Accountability Act (HIPAA) security requirements. This solution will avoid disrupting Michigan's current operations while providing the flexibility to migrate the solutions to the Michigan environment in the future. The CGI Government Cloud is built on the Cisco Unified Computing System (UCS) and includes Hitachi Data Systems storage, VMware server virtualization and BMC ITSM service management integration to deliver the Information Technology Infrastructure Library (ITIL) stack. Disaster recovery (DR) is integrated into the cloud with synchronous data replication between the primary and secondary locations.

The Contractor shall host Oracle Policy Automation for Michigan (as well as other states) in the CGI Government Cloud. CGI recognizes the importance, privacy and security of the data involved in this solution. For that reason, CGI implements separate instances of the software and database for each client.

Within the CGI Government Cloud, Contractor shall continuously monitor infrastructure performance so that: 1) SOM will see that Contractor meets key performance initiatives, and 2) Contractor's team can apply continuous improvement processes to further enhance service to the State.

The SIERA monitoring solution provides a service-oriented monitoring focus for critical applications and dependent application and systems infrastructures. The service impact events generated are automatically integrated into the incident management Configuration Management Database (CMDB) or its own data store via the generation of incident records associated with the detected component.

When an event captured by SIERA monitoring solution indicates a service disruption and even an interruption of a service, through integration with Service management ITSM, an incident record is generated and at the same time an unavailability record is created showing the exact detection time. When the component and/or application is operational again, the unavailability record is closed based on the same SIERA input, the incident record staying opened until the operational support group ensures that all other effects of the disruption/interruption are removed. This is an example of the low level data capture required to effectively compute KPI and service level metrics.

The MAGI Eligibility Solution hosting leverages server virtualization to deliver the performance and stability required by the State. This solution also provides scalability to meet increased demands over time and elasticity – the ability to rapidly expand, contract or reconfigure resources – to meet changing volume demands and respond to changing SOM requirements and varying business cycles.

Transactions will be asynchronous. The Contractor's solution shall incorporate timer events (retry requests) or alert notifications when the SOM Hub system does not acknowledge a message, as defined during detailed design.



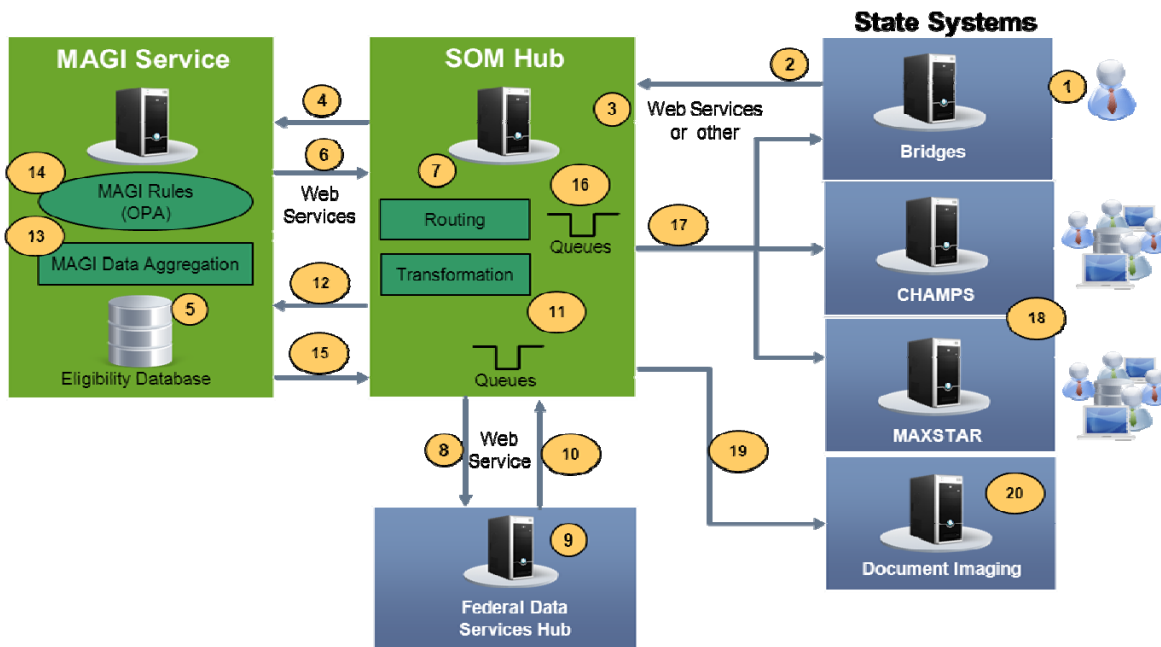
The Contractor’s solution shall secure messages in transit; encrypt all messages (256-bit minimal level); and use a secured VPN and SSL. In addition, messages shall be secured and persisted at rest. All data shall be encrypted at rest.

The Contractor’s solution shall generate alerts to Contractor team for problem correction. SOM may be given access to the dashboard or receive alerts, as defined during detailed design. If any portion of the Contractor’s solution is unavailable, then the Contractor team is responsible for the level of incident detection and speed of resolution necessary to maintain their service SLA.

CGI Government Cloud hosting provides scalability for the system, horizontally (scale out with more servers, memory and storage) and vertically (scale up with bigger servers) by component, and as a modern cloud service, offers the ability to right-size based on varied operational workloads over time. This provides a highly configurable environment that supports the State’s needs with a technical and application platform capable of supporting current and future requirements. Combined with CGI team knowledge and experience with these technologies, each solution is rapidly deployed and tested to support the required schedule.

The abstraction of the hosting of the CGI solution also provides the State of Michigan with an additional layer of protection against a local SOM Virtual Center of Excellence (VCOE) disaster, by providing the ability to continue accepting transaction requests and queuing them until the State data center restores operation.

The diagram below titled **Logical Architecture with Typical Eligibility Use Case**, presents the logical architecture based on Contractor’s understanding of a typical eligibility verification Use Case. The Use Case illustrated is for a request from the Bridges System for a Medicaid Eligibility Determination. The table titled **Transaction Steps Table**, which follows, describes each of the steps necessary to complete the transaction. As displayed in the diagram, The Contractor has architected the components to be separate and encapsulated such that there are not any design constraints. While the MAGI component would run with the CGI Federal Cloud, the State retains the technical and operational flexibility to move the component to another data center. The solution framework meets the needs of today and has the flexibility to support the unforeseen business needs as the Affordable Care Act progresses and matures.



Logical Architecture with Typical Eligibility Use Case



Transaction Steps Table

Step	Activity Description
1	Bridges user (or other source system) intakes member information (e.g. self-attested data)
2	Bridges packages information and calls SOM Hub to initiate Eligibility Determination
3	SOM Hub performs appropriate transformation
4	SOM Hub packages information and routes to MAGI Service
5	MAGI Service retrieves historical information for the member
6	MAGI Service requests additional verification information via the SOM Hub (repeat as appropriate)
7	SOM Hub performs appropriate transformation (repeat as appropriate)
8	SOM Hub routes request to the Federal Data Services Hub for member (repeat as appropriate)
9	Federal Data Services Hub services request as appropriate (repeat as appropriate)
10	Federal Data Services Hub packages data and sends back to SOM Hub (repeat as appropriate)
11	SOM Hub performs appropriate transformation (repeat as appropriate)
12	SOM Hub packages information and routes to MAGI Service (repeat as appropriate)
13	MAGI Service aggregates the necessary information and invokes the MAGI Rules
14	MAGI Rules performs the rules with resulting outcomes in necessary formats (e.g. electronics letter)
15	MAGI Service sends outcome results to the SOM Hub
16	SOM Hub queries routing rules for where to send the Eligibility outcome results
17	SOM Hub sends Eligibility outcome to appropriate backend systems
18	SOM Backend systems (e.g. Bridges, Champs, MAXSTAR) receives and processes responses
19	SOM Hub sends Eligibility outcome to the Document Management system for storage
20	Document Imaging System stores Eligibility results as appropriate

Security

The information being exchanged within the MAGI Eligibility Solution is highly confidential and absolutely must be protected. A person’s Social Security Number, income level, and citizenship are just some of the data being exchanged. Security has multiple layers and applications; from physical security of the data center, user IDs and passwords, firewalls, to personnel security such as background checks. The Contractor’s solution shall address all of these areas.

Data Center Security. The proposed State Gateway solution resides on CGI’s Government Cloud, which was developed to adhere to the rigorous set of technical and security requirements set forth in the CMS CCS and FedRAMP certification. CGI’s Government Cloud is also Federal Information Security Management Act (FISMA) compliant for Low and Moderate Impact applications – representing 88% of the U.S. government’s IT workload. This includes systems that process sensitive data such as personally identifiable information (PII), Confidential Business Information (CBI) and Protected Health Information (PHI). Within the CGI Government Cloud the access control and credentials management includes:

Access Control. Administrative access is granted through named accounts through administrative rights in Windows environments or SUDO access for Linux/Unix environments. Log aggregation and monitoring of administrative access is provided through ArcSight SIEM. There are access reports within the cloud management system that can be reviewed with the State.

Authentication. The Contractor uses an active directory implementation of LDAP to provide enterprise authentication across the cloud and customer VMs. The same ID is used to access all devices. Authorization is generally handled within the applications that make up the cloud with a few exceptions



where the cloud can pull the groups from the active directory. The second factor of authentication uses RSA On-demand Authenticator. The Contractor will work with the SOM to identify an acceptable peer to peer authorization method that complies with the SOM security standards for remote access.

Identity Management. Identities are created, updated or removed using service request forms in the portal. Each request goes through an approval process to approve the change prior to implementation.

Hosting

The Contractor will implement the MAGI Eligibility Service in the CGI Government Cloud. The Government Cloud hosting fulfills the requirements for hosting within a vendor data center.

The CGI Cloud is built on the Cisco Unified Computing System (UCS) and includes Hitachi Data Systems storage, VMware server virtualization and BMC ITSM service management integration to deliver the Information Technology Infrastructure Library (ITIL) stack. Disaster recovery (DR) is integrated into the cloud with synchronous data replication between the primary and secondary locations.

The Contractor's MAGI Eligibility hosting solution leverages server virtualization to deliver the performance and stability required by the State. This solution also provides scalability to meet increased demands over time and elasticity – the ability to rapidly expand, contract or reconfigure resources – to meet changing volume demands and respond to changing SOM requirements. CGI Government Cloud hosting provides scalability for the system, horizontally (scale out with more servers) and vertically (scale up with bigger servers) by component, and as a modern cloud service, offers the ability to right-size based on varied operational workloads over time. This provides a highly configurable environment that supports the State's need's with a technical and application platform capable of supporting current and future requirements. Combined with CGI Team knowledge and experience with these technologies, each solution is rapidly deployed and tested to support the required schedule.

The Contractor will deliver the following advantages for the State:

- No capital expense for infrastructure – The solution is delivered as a service
- No obsolescence of data center assets – Contractor will refresh assets to maintain performance and reliability
- Integrated DR capabilities – built-in data replication provides fast recovery
- Ability to scale resources within few practical limits – virtualization allows for efficient addition or reallocation of computing resources
- Existing FISMA and HIPAA compliance – one of the first two vendors to have achieved FedRAMP security certification. As part of this compliance, CMS has visited and been on-site of the Phoenix Data Center

Disaster Recovery

To properly provide business continuity and disaster recovery, the MAGI Eligibility Solution has been carefully architected to facilitate timely recovery in the event of a site failure at the Phoenix Data Center (PDC) by using a Secondary Data Center (SDC) in Philadelphia, PA.

The solution balances the need for a recovery process that minimizes both the Recovery Time Objective (RTO) and the Recovery Point Objective (RPO) against the costs involved in a DR solution. Primarily, it relies on near real time data replication from the PDC to the SDC with hot standby servers and devices. This solution accomplishes two things:

- Establishes an estimated RPO of 2 hours through data replication, eliminating the time consuming and logistical issues associated with recovering data from tape,
- Plans for a RTO of 2 hours by using dedicated, live devices located at the SDC. These devices would be allocated to the MAGI solution and built out and configured in the recovery environment at the time of a disaster declaration, accessing the already present and replicated data.



The Contractor will provide the State with 24/7/365, 99.99% availability through server redundancy and data replication; primary and secondary data centers will provide DR and Continuity of Operations (COOP) needs and high availability (HA) with a recovery time objective (RTO) of 2 hours and a recovery point objective (RPO) of 2 hours.

The Contractor has partnered with SunGard Recovery Services to facilitate and streamline the recovery of the MAGI Eligibility Service. Through SunGard, the State will be provided with access to emerging, state-of-the-art hardware architecture and recovery processes and access to a team of CGI dedicated Disaster Recovery experts and SMEs covering every area of Infrastructure support.

State and Contractor Roles

State Roles	Contractor Roles
Approve the Enterprise Architecture	Complete infrastructure hosting environment
Coordinate secured interconnectivity with CGI solutions	Coordinate secured interconnectivity with SOM

Acceptance Criteria

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

C. Software

The Contractor will provide software as-a-service to fully implement a MAGI Eligibility Service. The application software is listed in the **Application Software** table below:

Application Software		
Oracle Policy Automation	Red Hat JBoss Enterprise SOA Platform	MySQL Enterprise Edition

Deliverable(s)

At a minimum the Contractor will provide the requirements stated above and provide the following deliverables:

- Provide solution as Software as a Service (SaaS)

Acceptance Criteria

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

D. Application Design

1. Functional Design - describes the logical system flow, data organization, system inputs and outputs, processing rules, and operational characteristics of the product from the user's point of view. The functional design is not concerned with the software or hardware that will support the operation of the product or the physical organization of the data or the programs that will accept the input data, execute the processing rules, and produce the required output. The focus is on the functions and structure of the components that comprise the product. **Completion date: within one week of Contract execution.**
2. System Design - The goal of this stage is to translate the user-oriented functional design specifications into a set of technical, computer-oriented system design specifications; and to design the data structure and processes to the level of detail necessary to plan and execute the Construction and Implementation Stages. General module specifications should be produced to define what each module is to do, but not how the module is to be coded. Effort focuses on specifying individual routines and data structures while holding constant the structure and interfaces developed in the previous stage. Each module and data structure is considered individually during detailed design with emphasis placed on the description of internal and procedural details. The primary work product of this stage is a system design that provides a blueprint for the coding of individual modules and programs. **Completion date: 5/21/2013.**



Contractor Approach

During this phase, requirements are refined and verified and the architecture is proven for each component or product through detailed modeling and prototyping. This is done through use of cross-functional requirements validation and solution design sessions to complete the use case descriptions, interface specifications, and other high-level design artifacts and views. Design also includes creation of initial or updated versions of design specifications and technical plans; including the System Design Document (SEM-0604). The design phase focuses on the following key activities:

- Manage requirements - Comprehensive requirements management processes and tools are essential to provide that system requirements are well-defined, clearly-understood and can be traced from elicitation through delivery. The Contractor will describe how to elicit, organize, and document required functionality and constraints. Use Cases and scenarios are effective mechanisms for providing that business processes are appropriately reflected in functional requirements. The Contractor's Requirements Traceability Matrix (RTM) tool provides comprehensive traceability for requirements – to provide that they are mapped to design components and test cases. The Contractor's methodology will include processes for tracking and evaluating change requests.
- Use component-based architectures – The Contractor will focus on early development and base-lining of a robust executable architecture, prior to committing resources for full-scale development. The Contractor's solution is based on a modular architecture coupled with a heavy emphasis on using COTS products; such as Oracle OPA. The Contractor will place significant focus on defining sub-systems and on packaging functionality within sub-systems. This system design technique promotes reuse, improves productivity, and also lays the foundation for easier, lower cost system maintenance. It also enables us to leverage the Contractor's deep Service Oriented Architecture (SOA) expertise to identify sub-systems and packages that can be converted into reusable services.
- Visually model software – By visually modeling software to capture the structure and behavior of architectures and components, project teams can focus on the big picture, and hide the details. These visual abstractions enable teams to communicate different aspects of the solution; see how the elements of the system fit together; provide that the building blocks are consistent with code, maintain consistency between a design and its implementation; and promote unambiguous communication. The Contractor uses the industry standard methodology to drive consistency in artifacts across projects. This also drives consistency in processes via use case realizations, where class diagrams and interaction diagrams (Sequence and Collaboration diagrams) are used to design and implement the system based on use cases. This consistency will allow SOM, for example, to use senior technical staff to review artifacts throughout a project.
- Verify software quality - The Contractor's approach provides processes and standards to assist project teams in the planning, design, implementation, execution, and evaluation of tests across a wide range of dimensions: functionality, reliability, performance. Quality assurance is built into the process, in all activities, involving all participants, using objective measurements and criteria, and not treated as an afterthought or a separate activity performed by a separate group.
- Control changes to software – The Contractor's approach describes how to control, track and monitor changes to enable successful iterative development. It also guides the State on how to establish secure workspaces for each developer by providing isolation from changes made in other workspaces and by controlling changes of all software artifacts (e.g., models, code, documents, etc.). And it brings a team together to work as a single unit by describing how to automate integration and build management.

Critical to the MAGI Eligibility Solution is the successful integration with the Deloitte SOM Hub Solution. The Contractor will follow three primary steps for this interface:

- Interface Strategy – The Contractor will present the approach for the construction of the interface, the purpose and how SOM and the interface partner will utilize it. This step is minimal for the SOM Hub since most of the interfaces are already known.



- Interface Definition, Requirements Analysis – The Contractor will meet with the primary State stakeholders and the SOM team members to develop a shared understanding of the purpose of each of the interfaces detailed in the requirements.
- Interface Definition, Requirements Drill down – The Contractor will meet with both primary and external stakeholders to elaborate the details for each interface.

Each MAGI Eligibility Service interface will have an Interface Control Document that describes the concept of operations for the interface, defines the message structure and protocols that govern the interchange of data, and identifies the communication paths along which the data is expected to flow, and defines the security parameters and methods. The Contractor will develop performance metrics for each interface and create a test approach to validate all interfaces are functioning as designed. The interface control documents including performance criteria and test approach and methods, are presented to the State for review and approval.

With regard to the development and implementation system interfaces:

- The Contractor will perform some degree of data cleansing as part of the interface; any major data cleansing activities will be handled in the interfacing systems by the source system owners.
- Detailed documentation and technical support personnel for the interfacing systems will be made available by the State for design, development and testing of interfaces, as required by the project schedule

State and Contractor Roles

State Roles	Contractor Roles
Subject-Matter-Expertise to communicate detailed business requirements, state workflow processes, rule interpretations and interface specifications.	Facilitate the confirmation of requirements, workflows, rule interpretations and interface specifications. Document and confirm with SOM Functional Design and System Design documentation.
Review and provide feedback to draft documentation and plans	Incorporate State feedback into documentation and plans
Establish the necessary prioritization of participation in requirements validation activities	Develop a detailed schedule for the requirements review and validation activities, including the state stakeholder participation requirements

Deliverable(s)

At a minimum the Contractor will provide the requirements stated above and provide the following deliverables:

- Functional Design
 - Functional Design Document
 - Maintenance Plan
 - Requirements Specification (final)
 - Requirements Traceability Matrix (updated)
 - Hosting Solution Document
 - Approved Structured Walkthroughs for above documents.
- System Design
 - Conversion Plan [initial]
 - Requirements Traceability Matrix [revised]
 - Software Configuration Management Plan [final]
 - System Design Document [final]
 - Test Plan [initial]
 - Test Type Approach and Reports [initial]
 - Test Cases [initial]
 - Approved Structured Walkthroughs for above documents.



Acceptance Criteria

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

E. Application Development

Construction involves coding, validation and unit testing by a developer. Any hardware or software procured to support the construction effort is installed or modified. Plans are developed for the installation of the operating environment hardware and software. A training program is designed and a Training Plan that describes the system is produced. The activities in this stage result in the transformation of the system design into the first complete executable representation of the product. If required, the source code or COTS “glue” code, including suitable comments, is generated using the approved program specifications. The source code is then grouped into logical units and all high-level language units are compiled into object code. Unit testing is performed to determine if the code satisfies the program specifications and is complete, logical, and error free. The operating documentation is also produced. The operating documentation is required for installing, operating, and supporting the product through its lifecycle. **Completion date 6/14/2013**

Contractor Approach

The Contractor’s approach to the MAGI Eligibility Service design and development is driven by the unique capability that allows rules to be implemented directly from legislation, regulations and policy manuals. Policy managers cut and paste the plain language policy legislation, mark up the text in Microsoft Office Word and Excel using intuitive highlighting techniques and simple toolbars to provide a structure to the rule and convert it into rules which will then determine in an automated fashion, without human intervention. The rules can also perform calculations when required. Because there is a direct link between the policy text and the programmatic rules, the results are easy to explain, track, monitor and audit.

The key advantages of the Contractor’s OPA approach to rules are:

- Reuse of existing baseline MAGI Eligibility policies from another state
- Ability to react swiftly to the anticipated volume of refinements that will result after the initial months of implementation and utilization of the FFE
- Traceability to the regulations codified in 42 CFR parts 435 and 457.
- Policy and business experts can participate closely in rule creation and maintenance, which addresses the communication gap which emerges between business and IT groups on some traditional IT projects
- As the rules map very closely to statutes, regulations and policy documents, it is easy to pinpoint the changes which need to be made when the statutes, regulations and policy documents inevitably change
- The rules are loosely coupled, which maximizes opportunities for reuse – between systems or even, where appropriate, between organizations which share rule requirements.

Rules will be stored and grouped directly within a directory structure, organizing source documents, business rules, calculations, logic, reports, and procedural variables. To support multi-developer environments, Oracle Policy Modeling’s repository integrates with standard source control software.

The Contractor’s solution will support the following rules best practices:

- Loose coupling of rules to the application. OPA rules are written from the top-down from statutes, regulations and policy documents. The approach to rule-writing in OPA is such that rules are written in a format that remains the same regardless of whether they are being used in frontline interactive applications, or for back office or batch processing. As the rules are not closely tied to the specific technical artifacts of a single implementation, they are able to be used across multiple systems and shared.
- Rules should map closely to source material. OPA rules are written in natural language and tables, which allows them to map very closely to the policy provisions they implement. As a result, it is very easy with OPA to see the impact that a change to a policy provision will have on the rules – simply by comparing the text of the new legislated provision with the text of the OPA rule.



- Rule source should be labeled. OPA rules are written in Microsoft Office Word and Excel and the rule development environment allows rule authors to use standard features of those products – footnotes, tables of content, headings etc. Each rule should be clearly labeled to show the legislative or policy source for the rule. Rules are organized into documents according to their source. Rule authors are also able to add notes about policy interpretation or other comments within the rule documents. The result is that when rules are shared, it is easy to establish a mapping between rules and the policy provisions that are relevant for a specific implementation.
- Logic should be contained in rules rather than custom code. In order to maximize ease of policy updates and rule sharing, the MAGI Eligibility Service solution has a strong principle that wherever possible, legislative decision logic should be written in rules so it is all available in one place for editing and review by policy personnel. The CGI team discourages the use of custom code to implement legislative provisions.

The ease of use with OPA will allow users to even train themselves in rules modeling and in the implementation of rules. The Contractor will offer the State the capability to leverage the reusable elements that are specific to MAGI Medicaid, TANF, SNAP and other benefit application programs so that State can focus on the state specific changes in what the State maintains.

Within the full eligibility determination component there is a reusable element and a state-specific policy element. The State specific element includes the specific text from the state policy manuals and other state policy documents as appropriate. The Contractor will provide the capability to deliver the State-specific rules including the State-specific policy; to train the State in this benefit-specific rules content; and to train the State in approaches to maintaining the State-specific content.

State and Contractor Roles

State Roles	Contractor Roles
Provide Michigan specific Medicaid and CHIP MAGI eligibility rules	Configuration and development of system components based on requirements and design documents. The Contractor will leverage the knowledge, skills and completed MAGI rules work in Oregon to configure and implement the Michigan-specific eligibility rules for the State of Michigan solution until implementation. Post-implementation, the State staff will take on responsibility of these rules based on completion of the specified Oracle University training.
Review and approve the OPA rule configurations	Unit testing of the rules to verify compliance with functional and system design specifications
Actively participate in resolution of questions and conflicts identified during the development processes	Execute unit tests of all requirements to identify gaps or conflicts prior to system integration testing

Deliverable(s)

At a minimum the Contractor will provide the requirements stated above and provide the following deliverables:

- Maintenance Plan [revised]
- Requirements Traceability Matrix [revised]
- Conversion Plan [revised]
- Test Type Approach and Reports [revised]
- Test Cases [revised]
- Transition Plan [initial]
- Installation Plan [initial]



- Training Plan [initial]
- Security Plan and Assessment [revised]
- Development baselines
- Operating Documentation
 - User Manual
 - Developer's Reference Manual
- Project Test File
- System units and modules
- Approved Structured Walkthroughs for above documents.

Acceptance Criteria

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

F. Testing

Testing activities focus on interfaces between and among components of the product, such as functional correctness, system stability, overall system operability, system security, privacy and sensitive information control, and system performance requirements (e.g., reliability, maintainability, and availability). Testing performed incrementally provides feedback on quality, errors, and design weaknesses early in the integration process. In this stage, components are integrated and tested to determine whether the product meets predetermined functionality, performance, quality, interface, and security requirements. Once the product is fully integrated, system testing is conducted to validate that the product will operate in its intended environment, satisfies all user requirements, and is supported with complete and accurate operating documentation. User Acceptance Testing (UAT) follows System Testing, and solicits feedback from users to make any final adjustments to the programming before releasing the product for implementation.

Integration Test completion date: 7/12/2013

System Test completion date: 8/2/2013

User Acceptance Test completion date: 9/15/2013

Contractor Approach

The Contractor will work with the State to customize the testing framework describing how systems and services are tested for the MAGI Eligibility solution. The Contractor supports the premise that testing must be managed as a project within a project, using standard project management disciplines while starting testing early and often in the project life cycle.

With an emphasis on disciplined management of the testing process following the guidelines established by the Testing Manager and incorporated into the System Development Life Cycle (SDLC), the testing methodology is fully integrated with the development process activities and tasks. Contractor testing will start early in the project plan with an understanding the entire project has an extremely short duration. For the MAGI Eligibility Service, The Contractor will perform the following, progressive tests:

- Unit Test
- System Integration Test
- User Acceptance Test
- Performance Test

Each of these test cycles are independent phases and will be diligently planned and organized to minimize the potential for defects being introduced in subsequent phases. For each level of testing, the Contractor will conduct the following activities and generate the associated artifacts:

- Test Strategy – This stage validates business and technical requirements as well as defines the high level test activities, test phases, and exit/entry criteria between phases, the sign-off criteria, and the strategy to achieve the testing objective. The test strategy will be coordinated with the SOM source systems that are the initiator, respondent and recipient of MAGI Eligibility Service and Centralized Data Store data.



- Test Planning – This stage concentrates on preparing test plans to include defining the necessary resources and effort/schedule requirement. Risk-based testing analysis based on requirements for early defect prevention is a key activity of the Test Planning phase. The Contractor will collaborate with the State of Michigan project managers as well as other State contractor/partners to align testing to meet the full business workflow across the different application tiers.
- Test Design – This stage involves developing test cases, automated test scripts, and test data. Preparing the aspects of the test environment for execution is also done during this stage. The State of Michigan should participate in the identification and development of the test cases that will be used.
- Test Execution – In this stage, identified test cases and test scripts are executed to verify the application behaves as expected. Deviation from the expected behavior is analyzed to verify that it is not due to data or environment issues. Defects are reported and once the defect is fixed, the test cases/scripts are run again to confirm that the fix has resolved the problem that was raised.
- Test Completion – The activities in this stage involve creation of the Final Test Summary Report, which evaluates the outcomes of the testing exercise and presents the findings to the stakeholders with recommended actions. The essential elements of the final report are the results measured against the predefined success criteria and the recommendations regarding the outcomes. The Contractor will conduct formal walkthroughs of the testing phase results report with the State of Michigan project managers at the completion of each phase and prior to the start of the next phase. While the Contractor will not start the next phase until approved by the State, the Contractor will perform test planning and test design in parallel with preceding test phases.

User Acceptance Testing (UAT)

At the end of system development and successful completion of system integration testing, the Contractor will certify to the SOM that the software is ready for UAT. While responsibility for user acceptance testing belongs to the SOM, many of the functional, and integration test cases and test scripts that are developed earlier can be used as part of acceptance testing. The Contractor will support the SOM during the development of test plans, test cases, test scripts, and test execution for acceptance testing. During user acceptance testing, the Contractor will support the test team through mentoring, and respond to identified defects and updates to the software being tested as needed. The Contractor validates that completed software components are positioned for success at implementation and that they meet the vision, business needs, and quality standards of the SOM by conducting UAT. For each software release, system components are subjected to structured system testing performed by an integrated test team that is responsible for evaluating and documenting all test outcomes. In addition, all system documentation and training materials will be available during the UAT processes for determination of conformance, usability, and accuracy.

The State's UAT team will be comprised of SOM project team staff, SOM technical staff and various departmental program staff, and will be supported full time by the onsite Contractor team. The Contractor will assist in development and use of automated scripts that cover each of the interfaces will be required. All test scripts, test plans, testing tools, and software used by the Contractor to develop test scenarios and test data becomes the property of the State at completion of testing.

In addition to performing UAT, the State will perform the following tasks:

- Process deliverables according to the provisions of the Contract
- Review defect corrections, integration and outcomes, and provide feedback to the Contractor consisting of detailed request for remediation or correction and provide approval to proceed
- Form a UAT team that will:
 - Co-develop test cases, test data, and scenarios
 - Receive training from Contractor's team in the operation of the Data Hub Solution, use of testing tools, data pools, and use of test scripts
 - Act as system users and primary result evaluators while performing testing and reviewing user and operational system documentation/guides/reference materials
 - Act as students to assess the adequacy, accuracy and effectiveness of training materials



- Document defects and discrepancies identified during the course of testing
- Document corrections of defects and discrepancies

Requirements specification artifacts, such as requirements documents with process workflows, requirements traceability matrices, entity relationship diagrams, process specifications, and use cases will guide the development of test cases, test scenarios, and test scripts including the expected results. The test cases and scenarios will be cross-referenced to the approved Requirements Traceability Matrix to validate the accommodation of the requirements and functionality.

The testing program for a system release is a major functional and cost driver, requiring test planning as part of the requirements definition for each release.

The test plan will identify the testing that is to be done throughout the software development process and will include plans for component, subsystem, system, compliance (e.g., security) and regression testing. The test plan will be developed in conjunction with the SOM and the Contractor system integration team. The test plan will specify the test cases and test scenarios to be run, including any such tests from previous testing used to help provide that previously developed capabilities have not been compromised. The test plan will describe the test methods, parameters, and the resources required for the testing to include personnel, computer systems, and time. The plan will specify the testing schedule to provide priorities in testing, to help provide that testing dependencies are accommodated, and to verify the availability of resources to meet the schedule.

Without regard to the nature of the identified defect, all material defects will be reported to the appropriate Contract Administrator for adjudication and action. Throughout the UAT, the Contractor will provide summary reports that describe testing progress including: metrics relating to the number of test scripts completed; the defects identified to include priority, severity, and cause; and an evaluation of the systems operational readiness based on test results and overall performance. Test results will be traced back to requirements to show that the requirements have been shown to be fulfilled. Once testing has been completed, including rerunning test scripts to help provide that major defects have been corrected, the Contractor will provide a certification that all of the requirements and functionality agreed upon for the system release have been tested and there are no fatal or major defects remaining.

The State of Michigan will coordinate the completion of the modifications to the following applications to support the System Testing and User Acceptance Testing in accordance with the mutually agreed upon schedule:

- MAGI Eligibility Service
- SOM Eligibility Determination Systems (Bridges, MIBridges)
- SOM CHIP Eligibility Determination Systems (MAXSTAR)
- Dispute Resolution System – MAHS
- Document Imaging Service
- Federal Partner Exchange (FPE) Reporting

CGI will conduct testing as defined in the workplan, including system and integration testing. System and integration testing may be conducted concurrently, rather than sequentially, and likewise will not require separate and sequential packaging, review, and approval steps. However, documentation of testing results will provide the State documentation necessary to attest to the successful completion of the required testing. Additionally, as defined in the workplan, CGI will participate in necessary User Acceptance Testing which will require interaction with the SOM and Hub vendor and the SOM systems with which the MAGI solution will interact.



State and Contractor Roles

State Roles	Contractor Roles
Communication, approval and enforcement of testing activities with external State systems.	Test strategy, test cases, defect identification and resolution, and performance testing.
Participate in the identification of realistic and appropriate data to be used for testing functionality with existing SOM systems.	Prepare appropriate test data to be used for the system integration test activities.
Review the results of the Unit and System Tests	Compile the Unit and System Test results for review with the SOM
Participate in Walkthrough of the Unit and System Test results	Facilitate the walkthrough of the Unit and System Test results
Prepare the User Acceptance Test Cases	Assist the SOM in the development of UAT Test Cases
Conduct User Acceptance Tests and document results	Support the SOM in the execution of the User Acceptance Tests and documenting results Remediate defects
Certify the results of UAT	Development of UAT Results Report

The MAGI Eligibility Service includes comprehensive testing capabilities that pinpoint the impact of legislation, regulation and policy changes, and which allow what-if analysis of proposed amendments and a high degree of policy compliance throughout the policy implementation life-cycle. The policy analysts themselves conduct regression testing to determine impact and refine business rules providing them prompt feedback on the effect of changes. This reduces the amount of time to implement rules, ultimately leading to implementation and maintenance cost savings.

The Contractor's will provide comprehensive testing capabilities within Microsoft Word and Excel that pinpoint the impact of legislation, regulation and policy changes to allow what-if testing of proposed amendments and provide high quality throughout the policy implementation lifecycle.

The Oracle Policy Automation (OPA) software can perform detection of conflicting rules, dangling rules, logical loops (rules that can never reach a conclusion). It provides the ability to compare results during the build and refinement stages of rules development and testing. Additionally, OPA enforces that there is only one definition of each unique business rule; this means that when that single definition is updated every other use of that rule is also updated. All rules that have been defined are available for re-use in new rules. OPA provides a rule browser to search existing rules for reuse.

By enforcing that there is only one definition of each unique business rule; this means that when that single definition is updated every other use of that rule is also updated. OPA also supports Hot Deploy of rules to the server so that the latest rules are promptly available.

The policy analysts themselves conduct regression testing to determine impact and refine business rules providing them quick feedback on the effect of changes. This will reduce the amount of time to implement rules.

Business users will define and execute test cases which include input data and the expected result(s). "Actual results" are obtained by executing the rules against the data and such results are compared with the expected results. The Regression Test report is displayed to the user in Oracle Policy Modeling, including a summary with statistics, etc. The report can be printed, saved and/or exported as XML or HTML.



Deliverable(s):

At a minimum the Contractor will provide the requirements stated above and provide the following deliverables:

- Maintenance Plan [revised]
- Requirements Traceability Matrix [final]
- Conversion Plan [revised]
- Test Type Approach and Reports [final]
 - Integration test reports
 - Performance test report
 - System test reports
 - User Acceptance test report
- Test Cases [final]
- Transition Plan [revised]
- Installation Plan [final]
- Training Plan [final]
- Security Plan and Assessment [revised]
- Operating Documentation [final]
 - User Manual
 - Developer's Reference Manual.

G. Implementation

Implementation of the product is initiated after all application testing has been successfully completed. This stage involves the activities required to install the software, databases, or data that comprise the product onto the hardware platform at the site(s) of operation. The activities associated with this stage should be performed each time the product is installed at a production site. User training may be required to complete the implementation process. A description of the training necessary for developers, testers, users, and operations staff is provided in the Training Plan. **Implementation completion date: 10/1/2013.**

Deliverable(s)

At a minimum the Contractor will provide the requirements stated above and provide the following deliverables:

- Services to implement the application, including:
 - Data conversion
 - Data migration (may include transition of business operations to the new application)
 - Configuration
 - Customization
 - Interfaces/Integration.
- Maintenance Plan [final]
- Conversion Plan [final]
- Transition Plan [final]
- Security Plan and Assessment [final]
- Converted data or system files
- Installation Test materials
- Operating documents
- Operational software product.

Contractor must provide appropriate system interfaces/integration to the State of Michigan Hub Solution.

Contractor Approach

Rollout of the approved MAGI Eligibility Solution will be carefully prepared, coordinated, and integrated with training, preparation for organizational change, technology impacts (such as Bridges and CHAMPS), and careful scheduling of the implementation.

The Contractor will provide release planning which will include specific scheduling and implementation objectives, rollback or roll forward and recovery must be planned as part of the rollout. Careful consideration will be given to the impact of incomplete rollouts. The implementation steps that need to be taken for



implementation are the same as those followed for pilot testing and will be managed in accordance with the processes described for release and deployment. The steps include completion of UAT and certification of system readiness, completion of organizational change preparedness, training at all levels, careful preparation of the conversion and implementation activity, the implementation activity, validation of the implementation, and monitoring of operations.

Upon approval of the implementation plan, the Contractor will execute the implementation of a specific set of components (release) of the MAGI Eligibility Solution. During this period, the Contractor will maintain all system software until completion of system turnover, perform any remaining training activities, verify and validate the functionality and performance of the system, and turn the system component(s) release over to the SOM for final acceptance. The Contractor will support system stakeholders by providing that any problems that may arise with the operation of the system are quickly and effectively resolved.

At the beginning of the implementation process, the Contractor will prepare a detailed plan for implementation. During the execution of this plan, the Contractor will assist the State in the operation of the system release and supports the following areas of implementation:

- System Installation and Configuration – The Contractor will provide, configure, and install any required MAGI Eligibility Solution components on the hardware in Contractor's data center.
- Hardware Installation and Configuration – The Contractor will provide, configure, and install servers, workstations, and any associated hardware, software, and telecommunications equipment required for the SOM platform environment.
- System Training and Support – The Contractor will provide training as required in the training task, provide a help desk for support, and produce the final implementation report detailing each site implemented and the date of implementation.
- Security Plan and Assessment – The Contractor will provide a detailed security plan outlining physical, network, and application security within the solution. The assessment will identify potential gaps from the SOM's security requirements.

At the conclusion of implementation, the Contractor will demonstrate that the MAGI Eligibility Solution is fully operational. The Contractor will also certify that implementation is complete, users have been trained, and the system is operational in accordance with applicable specifications and in use.

The areas of implementation discussed in the preceding section are further defined by the activities outlined in the following paragraphs:

- Update Implementation Plan – The Contractor will provide a statewide incremental implementation plan. This will include descriptions of Contractor's coordinated approaches to the testing, conversion, training, and implementation of the MAGI Eligibility Solution. The plan will contain details of the statewide implementation schedule and provide instructions to prepare for the rollout. The implementation plan will also include the staffing, by staff type and skill level that SOM will need to effectively operate and maintain each system release.
- Implement System Release – For each incremental release rollout, upon approval by SOM, the Contractor will implement the locations within the specified implementation period. Once SOM has approved the UAT and pilot results, the Contractor will conduct an implementation "go-live" checklist process and then provide a certification letter that certifies, in writing, that the system is ready for implementation. Once implementation commences, the Contractor will provide ongoing support and verify that implementation support activities have been conducted in a manner approved by the State.
- Assist in the Operation of System Release – The Contractor will provide the operational and technical staff required to mentor and assist SOM staff in the operation of each MAGI Eligibility Solution release at a level to meet the performance standards described in the Contract. The Contractor will develop a process to affirm periodically that the system was operational per specifications and met performance standards during the last reporting period and is currently configured and available to meet performance standards for the upcoming period or report specific areas of noncompliance and corrective action plan to correct.



- Maintain the MAGI Eligibility Service – The Contractor is responsible for software maintenance and defect correction during the warranty period and through the term of the contract and must assist and mentor the State staff in changes or enhancements to the application following implementation.

State and Contractor Roles

State Roles	Contractor Roles
Actively participate in planning and implementation activities; including securing cooperation with external State systems. Provide staff for training and knowledge transfer.	Plan and execute implementation.
Coordinate production data access from the Federal Data Services Hub	Complete all testing and implementation planning exercises to meet CMS requirements

Acceptance Criteria

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

H. Training

Training must address both the knowledge and the skills required to operate and use the system effectively. The design of the training must accomplish the following objectives:

- Provide trainees with the specific knowledge and skills necessary to perform their work.
- Prepare training materials that will sell the product as well as instruct the trainees. The training should leave the trainees with the enthusiasm and desire to use the new product.
- Account for the knowledge and skills the trainees bring with them, and use this information as a transition to learning new material.
- Anticipate the needs for follow-on training after the product is fully operational, including refresher courses, advanced training, and repeats of basic courses for new personnel.
- Build in the capability to update the training as the product evolves.

Training must involve the system owner and key users in the planning to determine the education and training needs for all categories of users (managers, users, and maintenance staff).

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

Training is provided in a variety of formats for product installation, use, and administration for a variety of levels (e.g. basic, advanced, refresher, etc.).

All training manuals, training plans and other documentation provided become the property of the SOM.

Contractor Approach

The Contractor will provide the proper training in order for the State business resources to manage and administer the MAGI Eligibility Service, through Oracle University. The Contractor will provide Oracle Policy Automation courses to ensure that State business and technical resources are fully trained and prepared to support and utilize the State OPA implementations.

The Contractor’s training strategy will include establishing knowledge transfer goals. These knowledge transfer goals will establish the framework for technical training objectives. The Contractor will work with SOM and prepare the following materials early in the project:

- Organizational Preparedness Assessments – As part of the knowledge transfer process, the Contractor’s technical staff will define requirements of technical, service, and support roles, and the skills needed to perform the duties of these roles. The Contractor’s transition team will identify the organizations’ readiness for assuming their new roles and responsibilities.



- Organizational Preparedness Plans (OPPs) – Following the assessment, the Contractor will work with SOM to identify the tasks and plans required to close the gaps between the existing and the identified technical preparedness. These plans will include action items and key milestones, providing a clearly defined plan for SOM and parishes to manage and close these gaps within the expected timeframes.

The State will identify the individual staff members who will be assigned technical, service, and support duties. The Contractor will work with the State to prepare the following documents for these individuals:

- An Individual Preparedness Assessment (IPA) – This assesses the individual’s ability to take on the required tasks and describes the gap between the individual’s current skill level and the skills needed.
- An Individual Preparedness Plan (IPP) – This outlines the specific training interventions that will close this gap and prepare the individual for his or her new duties maintaining or updating their areas of responsibility in the MAGI Eligibility Service.

For technical and project team training, a training program will be established to allow for a balance between training and experience on the job to achieve the maximum learning experience. The Contractor will provide training courses that will provide the project and IT teams with the required knowledge and skills to effectively install, implement, maintain and upgrade Oracle technologies. This training will focus on product knowledge and will be taught using standard Oracle training content and environments. Since some technical team members may already have business rule modeling skills, assessments will be made as to the most appropriate training plan for each member. The Contractor will work with the State to develop a training plan for their project team members based on each of their specific roles and responsibilities.

The Contractor will provide training for project team and technical team members utilizing several delivery formats to meet the State’s project timeline, resource availability, and budget considerations.

Classroom based training and Live Virtual Class formats are available for many classes. Both approaches use the same instructors and course materials, and may be delivered as either public or private events at an OU Education Center or onsite at a State location. All of the Contractor project team and technical team training courses are focused on 100% student satisfaction -- if a student is not completely satisfied with his or her training experience, the same class may be retaken at no cost. Course materials are developed in conjunction with the Product Development and Curriculum Development teams, and will thoroughly reflect the capabilities of the applications, as well as implementation and configuration considerations.

The majority of functional project team training will take place before the State enters into the fit/gap and/or design sessions. An Oracle University Solutions Consultant will work with the State and its Project Manager to determine the appropriate time each course should be taken based on the implementation schedule.

State and Contractor Roles

State Roles	Contractor Roles
Participate in the development of the Training Plan	Develop the Training Plan
Review and approve training materials	Develop training materials
Provide appropriate staff for training and knowledge transfer.	Conduct training and confirm effectiveness

Deliverable(s)

At a minimum the Contractor will provide the requirements stated above and provide the following deliverables:

- Train the trainer
- End user training
- Technical training for state individuals who will be working with the services
- Vendor to configure the applications including establishing databases and interfaces, data conversion, customization, and upgrading the customized software.



- System administration training for State personnel who will be responsible for ongoing maintenance and administration of the system, including security.

Acceptance Criteria

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

I. Documentation

The Contractor will provide all documentation produced during the course of this project, including, but not limited to the items listed below.

Deliverable(s)

At a minimum the Contractor will provide the requirements stated above and provide the following deliverables:

- User manuals
- Technical manuals
 1. A minimum of two (2) copies of the following documentation in an electronic format, online and in hard copy will be provided:
 - a. User and Technical Manuals - On-line and Hard Copy;
 - b. Data Element Dictionary;
 - c. Operations Manual;
 - d. All updates of documentation during the term of the Contract, software license and maintenance agreement.
 2. The following documentation is provided for all modules and program development:
 - a. System-wide documentation and specifications;
 - b. Baseline End-User training manuals to be used as a basis for "User Manuals" and online help;
 - c. Installation procedure;
 - d. Module configuration documents sufficient for configuration maintenance purposes;
 - e. Testing scripts;
 - f. Specification documentation;
 - g. Production migration.
 3. The documentation of components, features, and use of the hardware/software shall be detailed such that resolution of most problems can be determined from the documentation, and most questions can be answered.
 4. All system, operational, user, change, and issue documentation must be available in electronic format, published to an intranet website, accessible to State users, and be updated regularly, with unique numerical identifiers for each section and be consistent with the most current version of the application(s) and three (3) previous versions.
 5. All system, operations, user, change and issue documentation is to be organized in a format which is approved by the State. Its form should facilitate updating and allow-for revisions to the documentation to be clearly identified including the three (3) previous versions.
 6. The Vendor must develop and submit for State approval complete, accurate, and timely system, operations, and user documentation.
 7. The Vendor must notify the State of any discrepancies or errors outlined in the system, operations, and user documentation.

Contractor Approach

The Contractor will develop, maintain, electronically store, print, and distribute the MAGI Eligibility Solution documentation in a systematic and environmentally friendly manner. Documentation while under edit and review will be processed in Microsoft Word format to facilitate easy collaboration between the Contractor and the State. The Contractor will also publish approved documentation in a web-readable format such as html and PDF for easy online viewing and use.



The Contractor will develop and maintain the system and user documentation following the SDLC processes defined for the project. All documentation will be tracked by the Contractor in the project plan and managed as project deliverables and linked to the requirements that the documentation addresses. Given the scope of the documentation set, the documentation deliverables will be managed following the project timeline and phased schedule.

Documentation will be stored in a central repository so that it can be accessed by all project team members regardless of geographic location. All documents stored in the repository are tracked utilizing version control, allowing access to previous versions as needed. Users can access the electronic copies on-line or print the documents if needed.

All documentation will be prepared and submitted to the State electronically for approval. All document submission, review, and tracking will be performed via the project repository site. Documentation once approved by the State will be posted on the site for access by approved personnel.

State and Contractor Roles

State Roles	Contractor Roles
Review and feedback on documentation.	Create and publish documentation.

Acceptance Criteria

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

J. Operation Services

The MAGI Eligibility Service solution shall provide 99.99% availability with the potential for data loss limited to a single transaction per service interruption. The solution must maintain the service levels as additional development work occurs after the initial implementation. Contractor will supply 60 person days of post-production support for rulebase maintenance and knowledge transfer.

Contractor Approach

During operations, the MAGI Eligibility hosting solution will leverage server virtualization to deliver the performance and stability required by the State. The solution will provide scalability to meet increased demands over time and elasticity – the ability to rapidly expand, contract or reconfigure resources – to meet changing volume demands and respond to changing State requirements.

The solution will be rapidly deployed and tested to support the required schedule. The system administration processes will include automated procedures to produce performance, availability and accountability.

Operational Framework

The Contractor will establish an Operational Framework (OF) that defines specific roles and responsibilities and clear accountability for each IT management activity and task.

The Contractor will leverage a standard OF as a guide to develop appropriate deliverables. The Contractor will establish a collaborative process with State stakeholders to review the processes in advance and identify the appropriate operational communication points. The MAGI Eligibility Solution will be processing millions of transactions per week, necessitating a focus on capacity management and performance monitoring. The OF will be designed to mitigate risks of mission critical solutions such as the MAGI Eligibility by providing process details for technical infrastructure management and administration, including the following functions:

- Manage Environmental Infrastructure
- Manage Operations
- Manage Service Levels
- Manage Communication
- Manage Availability
- Contingency Planning/Disaster Recovery
- Manage Security



- Manage Capacity
- Manage Change
- Manage Configuration
- Manage Incidents
- Manage Problems
- Manage Hardware Installation and Acceptance
- Manage Hardware Support
- Manage Software Control and Distribution
- Manage Software Support
- Manage Network Infrastructure
- Manage Vendors
- Manage Issues and Risks
- Manage Quality and Compliance
- Each of these processes will be developed specifically to meet the State's requirements.

State and Contractor Roles

State Roles	Vendor Roles
Provide appropriate staff for on-going project management, problem escalation and changing business requirements; including Subject-Matter-Experts, project management, and IT staff.	Support the application and infrastructure as defined.

Deliverable(s)

At a minimum the Contractor will provide the requirements stated above and provide the following deliverables:

- Hosting
- Systems management
- Disaster recovery
- Security administration services
- Storage services
- Remote management with hardware at a State site
 - Leased or owned by the State
 - Owned by the Vendor
- On-site management with hardware at a State site
 - Leased or owned by the State
 - Owned by the Vendor
- Management with hardware at the Vendor's site
- Owned by the Vendor and dedicated to the State

Acceptance Criteria

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

K. Maintenance and Support

The Contractor solution shall be extensible beyond the initial implementation. The Contractor shall provide for concurrent maintenance, support and additional development as outlined below.

- a. Maintenance programs commence at the end of the warranty period. Warranty will commence upon live operations, planned for 10/1/2013.
- b. All maintenance is performed by qualified personnel familiar with the hardware.
- c. Since the Contractor will be providing a hosted solution, they will use their standard diagnostic tools to provide diagnostic capabilities. The Contractor does not need remote access to the State data center.
- d. Maintenance shall be available on an annually renewable contract.



- e. The software maintenance program includes all future software updates and system enhancements applicable to system modules licensed without further charge to all licensed users maintaining an annually renewable software support contract.
- f. The Contractor will provide the State of Michigan a toll-free number that will be answered by a live agent 24x7x365. This agent will triage the nature of the call and will contact the appropriate technical or management resource in accordance with the contractual SLAs.
- g. Maintenance service options are provided including 24 x 7 x 365 service, onsite service, 2- (emergency), 4-, and 8-hour and next day response times.
- h. Calls for service will be returned within 2 hours.
- i. Guaranteed parts availability within the service response window at all times.
- j. Emergency assistance is available 24 hours a day, seven days a week, at no additional cost to the State.
- k. A Web-enabled help desk interface is provided at no additional cost.
- l. The State will be provided with information on software problems encountered at other locations, along with the solution to those problems, when such information is relevant to State software.
- m. The Contractor has limited capability to provide support for superseded releases, such as for Red Hat Enterprise SOA platform. The Contractor will work closely with the State to mitigate this situation.
- n. For the first year and all subsequent Contract years, the following services are provided for the current version and one previous version of any Software provided with the deliverables, commencing upon installation of the deliverables or delivery of the Software:
 - 1. **Error Correction.** Upon notice by State of a problem with the Software (which problem can be verified), reasonable efforts to correct or provide a working solution for the problem.
 - 2. **Material Defects.** The State will be notified of any material errors or defects in the deliverables known, or made known to Vendor from any source during the Contract term that could cause the production of inaccurate, or otherwise materially incorrect, results and shall initiate actions as may be commercially necessary or proper to effect corrections of any such errors or defects.
 - 3. **Updates.** All new releases and bug fixes (collectively referred to as “Changes”) for any software deliverable developed or published by Vendor and made generally available to its other customers at no additional charge will be provided to the State at no additional charge.

Contractor Approach

The Contractor will perform regular Maintenance and Support services; including standard status reporting, such as the Operations Summary and Enhancement Summary Report. Status reports will be defined during development and generated upon an agreed upon schedule. The Contractor will perform business continuity and disaster recovery testing for MAGI Eligibility Solution each year. The Contractor will manage the technical infrastructure (data center option) for the life of the contract, including maintaining security framework compatibility. Throughout the operations, the Contractor will support the State by monitoring the MAGI Eligibility Solution security, performance, and capacity. The Contractor will also assist the State by performing all Contractor responsibilities as specified in the work plan during operations, including support of network and data center operational plans, policies, and procedures.

The Contractor will provide dependable and reliable maintenance services to the SOM. As part of the configuration and implementation project, the Contractor will deliver a Maintenance Plan and update the plan quarterly. The Maintenance Plan will include the attributes such as defect identification and resolution, uptime requirements, and release management for COTS products. The Maintenance Plan execution will be tested and demonstrated during the ORT phase to validated readiness for on-going production.

The Contractor shall verify that all of third-party COTS components meet the State’s requirements. If there is a discrepancy, the Contractor shall work with the SOM to either 1) request an exception with the necessary justification or 2) change to another COTS product which meets the State’s requirements.



Third-party COTS software upgrades will be managed through the Change Control Board (CCB) process and in accordance with SOM agreed upon standards and policy. All CCB-approved upgrades are deployed by the support management team, starting in the development environment. Once reviewed in development, the process repeats for each environment in the SDLC workflow (Development -> Test -> Staging -> Production -> Disaster Recovery).

The Contractor will identify upgrades to third-party COTS software licenses and notify the SOM through the CCB process when they are made available. To provide sufficient time for testing and evaluation of upgrades, a three- to six-month buffer will be scheduled between the time new upgrades are commercially available and the date that they are introduced in a production environment, unless the new functionality is required for emergency fixes or security patches.

The Contractor will provide the State with accurate, up-to-date documentation, data, reports, hardware and software. The Contractor team's leadership will communicate directly with the State and leverage standard project management tools to allow State users to have visibility and transparency.

Data maintenance activities are the responsibility of the Contractor's Database Administration team reporting to the technical lead. The DBAs will constantly monitor the data, utilizing sophisticated alerting and monitoring capabilities.

The Contractor will ensure system security and a disciplined approach to system configuration to provide the necessary controls for any change to a business service script, parameter or configuration item. No staff will have direct access to make changes in the production environment. The Contractor will work with SOM resources to properly apply security protocols to implement interfaces between the Contractor's solution and existing state systems. This combination of system and operational procedures will also apply to new values and environmental parameters.

State and Contractor Roles

See the above Sections for clarification on State and Contractor Roles.

Deliverable(s)

At a minimum the Contractor will provide the requirements stated above and provide the following deliverables:

- Maintenance of the MAGI Determination Service
- Maintenance of hardware
 - Existing hardware
 - Purchased hardware
 - Leased hardware
- Maintenance of software
 - Existing software
 - Purchased software
 - Leased software
- Support
 - Help Desk
 - Technical

Acceptance Criteria

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

L. Knowledge Transfer/Transition

The Contractor will be required to perform informal training for state staff on platform issues, applications and interfaces. This includes, but is not limited to:

- Provide a plan that will lay out a sequence of events where the Contractor provides training to DTMB staff and assists in implementation of the solution. The goal is for DTMB staff to be able to undertake full support of the application over time.



- Transition support to DTMB staff for implemented solutions.

Contractor Approach

The Contractor’s training and knowledge transfer process will allow all assigned SOM technical personnel to be exposed to the majority of the system elements in a relatively stress-free way; bringing developers up to speed by first giving them the groundwork in system fundamentals, architecture, and framework. The Contractor will also provide time for understanding component interfaces, data requirements and batch processing requirements.

Knowledge Transfer planning will begin within the first month of the project for those activities and tasks that can be accomplished by the integrated Contractor/State team. The Contractor will be working closely with the State's other concurrent ACA compliance initiative teams to coordinate the interdependencies and touch-points to support the implementation on or before October 1, 2013. Throughout these activities, the Contractor will be conducting knowledge transfer, as well as knowledge acquisition that are required to provide a seamless solution to the State.

From a formal knowledge transfer perspective, the Contractor will provide a requisite skills document and work with the State to identify the appropriate level of expertise in the various areas.

During the project, the Contractor will identify specific system responsibilities and individual assignments in line with the State’s long term transition plan. The Contractor will also involve SOM designees in various activities across the project. This includes but is not limited to requirements confirmation, design, development, configuration, validation, testing and all implementation activities such as conversion, training and pilot support. As part of the overall transition strategy, The Contractor will develop a Knowledge Transfer Plan that will become the basis of the Turnover Plan that outlines the primary knowledge transfer approach to be used on the MAGI Eligibility Solution.

The Knowledge Transfer Plan will cover Knowledge Transfer techniques, the assessment of Knowledge Transfer, anticipated Knowledge Transfer issues, managing the Knowledge Transfer process, and Knowledge Transfer roadmap. These components are described more fully in the table provided below:

Feature	Benefit
Knowledge Transfer Techniques	Knowledge Transfer will be implemented through a pragmatic mixture of techniques: <ul style="list-style-type: none"> ▪ Training courses ▪ Mentoring/“Peer programming” ▪ One-on-One learning ▪ Role and Organizational development ▪ Skills Evaluation
Assessment of Knowledge Transfer	There are 6 basic methods of assessing the understanding of knowledge gained: <ul style="list-style-type: none"> ▪ Self-assessment ▪ Training exercises ▪ Ability to implement learned skills ▪ Staff reviews ▪ Staff interviews ▪ Measuring progress They enable incremental measurement and provide an indication of progress.
Anticipated Knowledge Transfer Issues	Issues are best understood in advance of when they arise. Common problems are often experienced when training people in new paradigms and complex systems or processes. For example, the learner may be: <ul style="list-style-type: none"> ▪ Unable to make the paradigm shift ▪ Unwilling to learn ▪ Unsuitable for the prescribed role



	The intent is to deal with any individual's learning difficulties in a positive a manner. The Project Manager is responsible for identifying approaches to overcome learning difficulties.
Managing the Knowledge Transfer Process	There are several key activities that form the core of managing knowledge transfer: <ul style="list-style-type: none"> ▪ Identifying needs ▪ Managing expectations ▪ Managing training ▪ Reviewing staff ▪ Managing transition
Knowledge Transfer Roadmap	The Knowledge Transfer Roadmap defines what is to be learned and when the various activities should take place in relation to key project events and each other. There are various pre-conditions for all knowledge transfer activities, and the roadmap defines these.

State and Contractor Roles

State Roles	Vendor Roles
Provide appropriate staff for knowledge transfer.	Plan and conduct the knowledge transfer.

Deliverable(s)

At a minimum the Contractor will provide the requirements stated above and provide the following deliverables:

- Complete training and operational materials to enable non-vendor staff to maintain the implemented solution in reasonable situations.

Acceptance Criteria

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

M. Other Services (Agency to add any additional services and software to be required)

Michigan may choose to implement additional policies, procedures, integration and rules in the future and may opt to change the partnership model with the Federal government. Upon request, the Contractor shall architect and staff future functionality.

Deliverable(s)

At a minimum the Contractor will provide the requirements stated above and provide the following deliverables:

- Future development services to meet new requirements (reserve bank of hours)
- Proposed plan to identify, estimate, perform impact analysis and track future requirements.

Acceptance Criteria

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

II. Requirements

Technical/General System Requirements – See Attachment A

Technical/general system requirements will identify what the solution or product must run on or integrate with, including any standards that must be met, security requirements, service levels and interface;

Technical/general system requirements will also identify the general framework in which the system or product must work, such as: capacity requirements (number of users, concurrent users, number of transactions to be handled, peak usage), documentation, audit and backup and recovery.



Functional Requirements – See Attachment A

Functional requirements identify what the product or system must do to enable performance of work tasks and any applicable service levels.

1.200 Roles and Responsibilities

1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

The Contractor has will utilize products and or services from the following approved subcontractor(s):

Oracle America, Inc.
 1050 Willshire Drive, Suite 250
 Troy, MI 48084
 Contact: Shelle Fuce

Oracle is providing Mr. Don Kosy, Senior MAGI Medicaid CHIP Eligibility Technical Lead. In addition to this key resource, Oracle will supplement the CGI team with resources who bring expertise in the design, development and testing Oracle Policy Automation (OPA). Oracle will be responsible for the implementation of OPA to develop one rule base for the State of Michigan (SOM).

A. Contractor Staff

The Contractor shall commit that staff identified in this Contract will actually perform the assigned work.

The Contractor has identified Richard Crosby as the Single Point of Contact (SPOC).

The duties of the SPOC shall include, but not be limited to:

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

The SPOC is responsible for overall success of the engagement, including provisioning it with the corporate resources necessary to achieve the State’s goals and working directly with the State to maintain alignment and an effective partnership.

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

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

All Key Personnel may be subject to the State’s interview and approval process. Any key staff substitution must have the prior approval of the State. The State has identified the following as key personnel for each solution for this project:

Key Personnel Member	Position Requirements
<p>Beth Long MAGI Eligibility Service Project Manager</p>	<ul style="list-style-type: none"> • Minimum of seven (7) years of experience managing application development and implementation projects of similar size. • Minimum of Three (3) years of PM experience in supporting, installing and configuring a business rules management system in a large multi-stakeholder environment • Certification: PMP or equivalent industry recognition • Minimum of Three (3) years of State of Michigan SEM, SUITE and PMM experience or similar environments with other clients • Strong business acumen related especially to health care



<p>Don Kosy (Oracle Resource) MAGI Eligibility Service Technical Lead</p>	<p>implementations</p> <ul style="list-style-type: none"> • Minimum of seven (7) years of experience implementing application development and implementation projects of similar size. • Minimum of Three (3) years of technical leadership experience in supporting, installing and configuring the proposed business rules management system • Certification: Technical certification(s) in proposed solution(s) highly desirable • Minimum of Three (3) years of technical leadership in a highly structured SDLC • Strong technical acumen related especially to health care implementations
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The Contractor will provide a MAGI Eligibility Service **Project Manager** to interact with the designated personnel from the State to insure a smooth transition to the new system. The project manager/technical lead will coordinate all of the activities of the Contractor personnel assigned to the project and create all reports required by State. The Contractor's project manager responsibilities include, at a minimum:

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

The Contractor will provide a MAGI Eligibility Service **Technical Lead** to interact with the designated personnel from the State to insure a smooth integration of the proposed system. The project manager/technical lead will coordinate all of the integration activities of the Contractor solution and ensure the solutions requirements are met. The Contractor's technical lead responsibilities include, at a minimum:

- Manage all defined Contractor technical deliverables in this Scope of Services.
- Manage Contractor's subcontractors sub-solutions if any
- Develop the architecture and design of the solution
- Serve as the point person for all project technical issues
- Coordinate and oversee the day-to-day project technical activities of the project team
- Assess and report project feedback and status on technical deliverables
- Escalate technical issues, technical risks, and other concerns
- Review all project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Manage the configuration management and impact analysis functions
- Prepare project technical documents and materials.

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

As the primary vendor, The Contractor takes full responsibility and accountability for the successful delivery of the project. The Contractor will ensure commitment from CGI's Senior Executives as well as the Senior Executives of CGI's partners that Michigan will be a top priority.



In addition to the Key Personnel identified above the following non-key resources will be provided by the Contractor for the MAGI Service Project:

- Rule Base Architect
- Senior Rules Developer
- Test Manager

B. On Site Work Requirements

1. Location of Work (*Lansing Michigan*)

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

- Meetings will be held in the Lansing, Michigan area
- Vendor is expected to provide their own work space in the Lansing, Michigan area.

Key personnel will be provided work space within State of Michigan facilities. Non-key personnel will be supplied office space by the Contractor. This space should be located in the Lansing area in order to facilitate teaming.

2. Hours of Operation:

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

3. Travel:

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

4. Security and Background Check Requirements:

See Section 2.091.

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

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

- Meeting space
- Minimal clerical support

The State project team will consist of Executive Subject Matter Experts (SME’s), project support, and a Department of Technology Management and Budget (DTMB) and Agency project manager:

Executive Subject Matter Experts

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

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

**State Project Manager- (DTMB and Agency)**

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

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

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

The State of Michigan Project Manager is:

Larry Lemieux

lemieuxl@michigan.gov

The Contractor's team shall work with the SOM to plan and schedule for situations in which the SOM may have fewer resources. For example, if SME staff is limited, the Contractor shall work with SOM to plan requirements and design activities (meetings, deliverable approvals, etc.) accommodate the State's staffing. Skill levels for State resources primarily are in the following categories:

- Project Management – approval of PM tools, procedures, workplans, etc. Significant workload up front with the initial project start-up activities and then reduced for on-going status reporting and workplan changes. We would expect the State to provide between one to two Project Managers for both the MAGI and Hub projects, depending on how the State organizes both initiatives, for the duration of the projects. We would expect the State to provide between one to two Project Managers for both the MAGI and Hub projects, depending on how the State organizes both initiatives, for the duration of the projects.
- Subject Matter Expertise (SME) – Those individuals who can articulate and approve requirements and design deliverables. Significant during requirements and design activities. We recommend that the State assign between one to two SME's for the MAGI project and between two to three SME's for the Hub project, for the requirements validation and design activities. We recommend that the State assign between one to two SME's for the MAGI project and between two to three SME's for the Hub project, for the requirements validation and design activities.
- Testing – SMEs or individuals who can work directly with the SMEs to construct the necessary UAT test cases and verify the results. We recommend that a minimum of 3 FTE's be assigned to the testing activity. We recommend that a minimum of 3 FTE's be assigned to the testing activity.
- Training and Knowledge Transfer – Those SOM individuals who will be responsible for the ongoing operations and maintenance of the solution. The required FTE's for this activity will be determined by the State based on the end user population.

The Contractor shall work with the SOM to fine-tune these estimates during the initial project planning phase.



1.300 Project Plan

1.301 PROJECT PLAN MANAGEMENT

Project Plan

The Contractor will provide a Project Plan, including necessary time frames and deliverables for the various stages of the project and the responsibilities and obligations of both the Contractor and the State.

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

Orientation Meeting

Within (5) calendar days from execution of the Contract, the Contractor will be required to attend an orientation meeting to discuss the content and procedures of the Contract. The meeting will be held in Lansing, Michigan, at a date and time mutually acceptable to the State and the Contractor. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

Performance Review Meetings

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

Project Control

1. The Contractor will carry out this project under the direction and control of the DTMB Project Control Office (PCO) on behalf of (DCH, DHS, and LARA).
2. The State will require the Contractor to attend regular project meetings, to review the Contractor's performance under the Contract. The meetings will be held in Lansing, Michigan, or by teleconference, as mutually agreed by the State and the Contractor. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.
3. The Contractor will manage projects in accordance with the State Unified Information Technology Environment (SUITE) methodology, which includes standards for project management, systems engineering, and associated forms and templates which is available at <http://www.michigan.gov/suite>
 - a. Contractor will use an automated tool for planning, monitoring, and tracking the Contract's progress and the level of effort of any Contractor personnel spent performing Services under the Contract. The tool shall have the capability to produce:
 - b. Staffing tables with names of personnel assigned to Contract tasks.
 - c. Contractor will provide project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each (including detailed plans for all Services to be performed for within the next ninety (90) calendar days, updated monthly).
4. Graphs showing critical events, dependencies and decision points during the course of the Contract.
 - a. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State standards.



- b. As defined by the PCO and for the duration of the project, all Contractor project management
5. Within (5) working days of the execution of the Contract, the Contractor and State will mutually determine the State of Michigan SUITE documentation and ELC documentation required from the Contract. Standards, communications, and tracking must be followed including but not limited to: Project Reporting (by submitted every two (2) calendar weeks or as requested and approved by the PCO for the duration of the project; Issue Management (affecting schedule, scope, cost, or quality); Risk Management; Scope Management; Quality Management; project Change Management.
 6. Within (5) working days of the execution of the Contract, the Contractor will submit to the State project manager(s) for final approval of the project plan. The project plan will be reviewed and approved by the State within the first two weeks of the project. Changes to the project plan made during this review period will be based on mutual agreement. This project plan must be in agreement with Article 1, Section 1.104 Work and Deliverables, and must include the following:
 - The Contractor's project organizational structure.
 - The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
 - The project work breakdown structure (WBS) showing sub-projects, activities and tasks, and resources required and allocated to each.
 - The time-phased plan in the form of a graphic display, showing each event, task, and decision point in the WBS.
 7. The Contractor will manage the project based upon their Client Partnership Management Framework (CPMF) toolkit. The Contractor will collaborate with the State to align the CPMF project management approach with the State Unified Information Technology Environment (SUITE) methodology, which includes standards for project management, systems engineering, and associated forms and templates which is available at <http://www.michigan.gov/suite>. This collaborative alignment of CPMF and SUITE for project management will be based on mutual agreement in order to address the State's requirements as described below, and to protect the Contractor's scope of work as proposed.
 - a. Contractor will use an automated tool for planning, monitoring, and tracking the Contract's progress and the level of effort of any Contractor personnel spent performing Services under the Contract. The tool shall have the capability to produce:
 - Staffing tables with names of personnel assigned to Contract tasks.
 - Project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each (including detailed plans for all Services to be performed within the next (10) business days, updated semi-monthly).
 - Updates must include actual time spent on each task and a revised estimate to complete.
 - Graphs showing critical events, dependencies and decision points during the course of the Contract.
 - b. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State standards.

The State of Michigan requires that the Vendor completely comply with the SOM Software Engineering Methodology, Project Management Methodology and SUITE processes as well as to supply the documents required for Center for Medicaid Services (CMS) approval. Contractor will comply with this requirement, consistent with the approach described above regarding the alignment of the CPMF and SUITE methodologies. These documents include but are not limited to:

- Information Security Risk Assessment
- Performance Measurement Plan
- Project Management Plan
- Privacy Impact Statement
- Release Plan
- Training Plan
- Financial Management Plan



- Staff Management Plan
- Configuration Management Plan
- Change Management Plan
- Quality Management Plan
- Communications Plan
- Risk Management Plan
- System Security Plan

The complete list of artifacts to be produced by the Contractor, approved by the State and delivered to CMS can be found in the **Attachment C** - IT Enterprise Lifecycle Artifact Addendum.

1.302 REPORTS

Reporting formats must be submitted to the State's Project Manager for approval within (5) business days after the execution of this Contract. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the contract. The Contractor will provide the following reports on a mutually-agreeable frequency:

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

Contractors who are awarded State contracts that are funded by \$25,000 or more of federal funds are subject to FFATA reporting requirements. Although not required at the time of bid submission, if the bidder is awarded a Contract that meets the reporting requirements of the FFATA, the Contractor will be required to provide its DUNS number; parent organizations DUNS number; location and primary place of performance information, and possibly, executive compensation information. FFATA requirements and Duns information can be found at: <https://www.frs.gov/> and <http://www.dnb.com/>.

1.400 Project Management

The Contractor will adhere to the PMM methodology and provide PMM documentation as requested.

1.401 ISSUE MANAGEMENT

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

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

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



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

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

1.402 RISK MANAGEMENT

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

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

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

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

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

1.403 CHANGE MANAGEMENT

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

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

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

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

1.500 Acceptance

1.501 CRITERIA

The State of Michigan will evaluate each contracted deliverable against relevant existing standards;

- SDLC documentation will be evaluated to ensure that SEM and SUITE standards are met
- Project Management documentation will be evaluated against PMM standards
- Design will be evaluated to ensure that know requirements are met and that the design is extensible to meet future requirements



- Architecture and implementation plans will be evaluated to ensure State of Michigan enterprise standards are met
- Each deliverable will be evaluated to ensure Michigan, Federal and trusted data source security and privacy standards are met
- Each requirement will be required to be unit, system and user acceptance tested and a plan put in place by the vendor
- All deliverables will be evaluated against State and industry best practices and standards
- The parties will confer before beginning the design process for each deliverable to determine whether the high level acceptance criteria identified in the contract need further specification to facilitate prompt acceptance; and that the parties will address such concerns by promptly collaborating to develop reasonable, relevant, and specific acceptance criteria for assessing a deliverable's satisfaction of applicable federal and other applicable guidelines.
 - Only material failures to meet mutually-agreed acceptance criteria will result in the State withholding acceptance of a deliverable; and that lesser issues will be addressed after go-live as time allows through warranty services or during system operation.
 - The parties will resolve disagreements concerning acceptance procedures and criteria promptly and in good faith to keep the project on schedule;
 - The SOM reserves the right to determine the final acceptance criteria.

1.502 FINAL ACCEPTANCE

Final acceptance will be granted upon;

- Successful completion user acceptance testing and all prerequisite SDLC tasks leading up to the completion of UAT.
- Delivery and acceptance of all contracted deliverables

1.600 Compensation and Payment

1.601 COMPENSATION AND PAYMENT

Method of Payment

The project will be paid (Firm Fixed Price). **Attachment D – Contract Pricing**, provides a detailed breakdown of the Contractor pricing.

Travel

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

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

Statements of Work and Issuance of Purchase Orders

Unless otherwise agreed by the parties, each Statement of Work will include:

1. Background
2. Project Objective
3. Scope of Work
4. Deliverables
5. Acceptance Criteria
6. Project Control and Reports
7. Specific Department Standards
8. Payment Schedule
9. Statement that Travel and Expenses will not be billed to the State
10. Project Contacts



11. Agency Responsibilities and Assumptions
12. Location of Where the Work is to be performed
13. Expected Contractor Work Hours and Conditions.

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

Invoicing

Contractor will submit properly itemized invoices to

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

or

DTMB-Accounts-Payable@michigan.gov

Invoices must provide and itemize, as applicable:

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

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

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

1.602 RESERVED



Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 CONTRACT TERM

This Contract is for a period of 3 years beginning (May 31, 2013) through (May 30, 2016). All outstanding Purchase Orders must also expire upon the termination for any of the reasons listed in Section 2.150 of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, shall remain in effect for the balance of the fiscal year for which they were issued.

2.002 OPTIONS TO RENEW

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

2.003 LEGAL EFFECT

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

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

2.004 ATTACHMENTS & EXHIBITS

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

2.005 ORDERING

The State must issue an approved written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order to order any Services/Deliverables under this Contract. All orders are subject to the terms and conditions of this Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are specifically contained in that Purchase Order or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown; however, subject to agreement upon appropriate Change Orders pursuant to Section 2.024, the Contractor will be required to furnish all such materials and services as may be ordered during the Contract period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.

2.006 ORDER OF PRECEDENCE

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

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



2.007 HEADINGS

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

2.008 FORM, FUNCTION & UTILITY

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

2.009 REFORMATION AND SEVERABILITY

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

2.010 Consents and Approvals

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

2.011 NO WAIVER OF DEFAULT

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

2.012 SURVIVAL

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

2.020 Contract Administration

2.021 ISSUING OFFICE

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

[Steve Motz](#), Buyer
Procurement
Department of Technology, Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
Email: motzs@michigan.gov
Phone: 517-241-3215

2.022 CONTRACT COMPLIANCE INSPECTOR

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



to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract. The Contract Compliance Inspector for this Contract is:

See Section 2.023.

2.023 PROJECT MANAGER

The following individual will oversee the project:

Larry Lemieux
(517) 241-4547
lemieuxl@michigan.gov

2.024 CHANGE REQUESTS

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

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

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

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

(1) **Change Request at State Request**

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

(2) **Contractor Recommendation for Change Requests:**

Contractor shall be entitled to propose a Change to the State, on its own initiative, should Contractor believe the proposed Change would benefit the Contract.

(3) **Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor's proposal shall include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor**



- provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.
- (4) By giving Contractor written notice within a reasonable time, the State shall be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").
 - (5) No proposed Change shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Technology, Management and Budget, Procurement.
 - (6) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

Contractor shall be entitled to a Change Order equitably adjusting project schedule and Contractor compensation for any material delay or failure by the State in breach of Section 2.028.

2.025 NOTICES

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

State:

State of Michigan
Procurement
Attention:
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

Contractor:

John Roggemann
Vice President, Consulting Services
230 W. Monroe Street, Suite 1460
Chicago, IL 60606
Telephone: 312-269-0275
Fax: 312-269-1218
Email: john.roggemann@cqi.com

With a copy to:

CGI Technologies and Solutions Inc.
11325 Random Hills Road, 8th Floor
Fairfax, VA 22030
Attn: Office of General Counsel
Fax: 703-267-7288

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



2.026 BINDING COMMITMENTS

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

2.027 RELATIONSHIP OF THE PARTIES

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

2.028 COVENANT OF GOOD FAITH

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

2.029 ASSIGNMENTS

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

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

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

2.030 General Provisions

2.031 MEDIA RELEASES

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

2.032 CONTRACT DISTRIBUTION

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



2.033 PERMITS

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

2.034 WEBSITE INCORPORATION

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

2.035 FUTURE BIDDING PRECLUSION

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

2.036 FREEDOM OF INFORMATION

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

2.037 DISASTER RECOVERY

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Contractor will provide the disaster recovery services specified in the mutually agreed Statement of Work and Project Plan.

2.040 Financial Provisions

2.041 FIXED PRICES FOR SERVICES/DELIVERABLES

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

2.042 ADJUSTMENTS FOR REDUCTIONS IN SCOPE OF SERVICES/DELIVERABLES

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

2.043 SERVICES/DELIVERABLES COVERED

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

2.044 INVOICING AND PAYMENT – IN GENERAL

(a) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.



- (b) Each Contractor invoice shall show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis shall show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.600**.
- (c) Correct invoices shall be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.
- (d) All invoices should reflect actual work done. Specific details of invoices and payments shall be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Procurement, Department of Management & Budget. This activity shall occur only upon the specific written direction from DTMB-Procurement.

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

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

2.045 PRO-RATION

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

2.046 ANTITRUST ASSIGNMENT

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

2.047 FINAL PAYMENT

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

2.048 ELECTRONIC PAYMENT REQUIREMENT

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

2.050 Taxes



2.051 EMPLOYMENT TAXES

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

2.052 SALES AND USE TAXES

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

2.060 Contract Management

2.061 CONTRACTOR PERSONNEL QUALIFICATIONS

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

2.062 CONTRACTOR KEY PERSONNEL

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



- (e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

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

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

2.064 CONTRACTOR PERSONNEL LOCATION

All staff assigned by Contractor to work on the Contract shall perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel shall, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. The vendor will provide office space for their staff (at their expense) in the downtown Lansing area.

2.065 CONTRACTOR IDENTIFICATION

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

2.066 COOPERATION WITH THIRD PARTIES

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

2.067 CONTRACT MANAGEMENT RESPONSIBILITIES

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

The Contractor shall provide the Services/Deliverables directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor shall act



as a single point of contact coordinating these entities to meet the State's need for Services/Deliverables. Nothing in this Contract, however, shall be construed to authorize or require any party to violate any applicable law or regulation in its performance of this Contract.

2.068 CONTRACTOR RETURN OF STATE EQUIPMENT/RESOURCES

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

2.070 Subcontracting by Contractor

2.071 CONTRACTOR FULL RESPONSIBILITY

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

2.072 STATE CONSENT TO DELEGATION

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

2.073 SUBCONTRACTOR BOUND TO CONTRACT

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

2.074 FLOW DOWN

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



2.075 COMPETITIVE SELECTION

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

2.080 State Responsibilities

2.081 EQUIPMENT

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

2.082 FACILITIES

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

2.090 Security

2.091 BACKGROUND CHECKS

The Contractor must arrange for background checks at Contractor expense on all Contractor employees and subcontractor employees having access to State premises or systems prior to their assignment; however, Contractor resources who have completed an internal Contractor standard criminal background check within the 12 months prior to assignment will be allowed to commence work on the Project pending completion of a Project-specific background check. Project-specific background checks must include a Social Security Number verification, 7-year criminal searches at the local and federal levels, National Criminal Record Locator, and Michigan State Police background checks. Contractor must provide certification of the results of the background checks. In no event will a Contractor or subcontractor resource be assigned when a felony conviction is present or a misdemeanor conviction that involves a crime against a person; a crime involving the use or misuse of computer network; a crime involving weapons, explosives or arson; a crime involving trade secret/proprietary information; a crime involving theft, dishonesty, embezzlement, breach of fiduciary duty, identity theft, or other financial-related crimes, or a crime involving illegal drugs and/or controlled substances.

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

2.092 SECURITY BREACH NOTIFICATION

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



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

2.093 PCI DATA SECURITY STANDARD

At the time of contract execution, the parties' understanding is that Contractor will not be required to process, transmit, or store credit/debit cardholder data. If processing, transmission, or storage of credit/debit cardholder data becomes a part of the scope of Contractor's responsibilities, the provisions of this Section 2.093 will be applicable, provided however that Contractor will be entitled to a Change Order addressing any associated increase in risk and level of effort.

- (a) Contractors that process, transmit or store credit/debit cardholder data, must adhere to the Payment Card Industry (PCI) Data Security Standards. The Contractor is responsible for the security of cardholder data in its possession. The data may only be used to assist the State or for other uses specifically authorized by law.
- (b) The Contractor must notify the CCI (within 72 hours of discovery) of any breaches in security where cardholder data has been compromised. In that event, the Contractor must provide full cooperation to the Visa, MasterCard, Discover and state Acquirer representative(s), and/or a PCI approved third party to conduct a thorough security review. The Contractor must make the forensic report available within two weeks of completion. The review must validate compliance with the current PCI Data Security Standards for protecting cardholder data.
- (c) The Contractor must properly dispose of cardholder data, in compliance with DTMB policy, when it is no longer needed. The Contractor must continue to treat cardholder data as confidential upon contract termination.
- (d) The Contractor must provide the CCI with an annual Attestation of Compliance (AOC) or a Report on Compliance (ROC) showing the contractor is in compliance with the PCI Data Security Standards. The Contractor must notify the CCI of all failures to comply with the PCI Data Security Standard.

2.100 Confidentiality

2.101 CONFIDENTIALITY

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

2.102 PROTECTION AND DESTRUCTION OF CONFIDENTIAL INFORMATION

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



maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.

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

2.103 EXCLUSIONS

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

2.104 NO IMPLIED RIGHTS

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

2.105 RESPECTIVE OBLIGATIONS

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

2.110 Records and Inspections

2.111 INSPECTION OF WORK PERFORMED

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

2.112 EXAMINATION OF RECORDS

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



2.113 RETENTION OF RECORDS

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

2.114 AUDIT RESOLUTION

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

2.115 ERRORS

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

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

2.120 Warranties

2.121 WARRANTIES AND REPRESENTATIONS

The Contractor represents to the best of its knowledge and warrants:

- (a) It is capable in all respects of fulfilling and must fulfill all of its obligations under this Contract in all material respects. The performance of all obligations under this Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under this Contract in all material respects during the applicable warranty period under the Statement of Work. The State must provide prompt notice to Contractor of any suspected breach of the foregoing warranty.
- (b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance in all material respects.
- (c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under neither this Contract, nor their use by the State shall infringe the patent, copyright, trade secret, or other proprietary rights of any third party. The foregoing warranty does not apply where infringement is the result of adherence to written specifications of the State; unauthorized use of the item in a manner for which it was not intended; unauthorized modification of the item by other than Contractor or its subcontractors working at its directions; unauthorized combination of the item with items not supplied by Contractor; or the State's failure to use an updated or corrected version of the item that would not have given rise to the infringement.
- (d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to



- the items in this Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable. Contractor makes no independent warranty with respect to any such third party materials.
- (e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
 - (f) It is qualified and registered to transact business in all locations where required.
 - (g) Neither the Contractor nor any Affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two business days of learning about it.
 - (h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or must accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor must not attempt to influence any State employee by the direct or indirect offer of anything of value.
 - (i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or the Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.
 - (j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other Bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other Bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.
 - (k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by the financial statements, reports, other information. Since the respective dates or periods covered by the financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor.
 - (l) All written information furnished to the State by or for the Contractor in connection with this Contract, including its bid, is to the best of Contractor's knowledge and belief true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading.
 - (m) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or the department within the previous five years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract.
 - (n) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after contract award, the Contractor is required to report those changes immediately to the Department of Technology, Management and Budget, Procurement.

2.122 RESERVED.

2.123 RESERVED.

2.124 RESERVED.

2.125 RESERVED.

2.126 RESERVED.



2.127 RESERVED.

2.128 CONSEQUENCES FOR BREACH

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

2.129 DISCLAIMER OF IMPLIED WARRANTIES

THE FOREGOING WARRANTIES AND OTHER EXPRESS WARRANTIES CONTAINED WITHIN THIS CONTRACT ARE IN LIEU OF, AND THE PARTIES EXPRESSLY DISCLAIM, ALL OTHER WARRANTIES EXPRESS OR IMPLIED INCLUDING WITHOUT LIMITATION THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

2.130 Insurance

2.131 LIABILITY INSURANCE

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

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

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

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

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

See www.michigan.gov/dleg.

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

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

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

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

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



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

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

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

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

4. Employers liability insurance with the following minimum limits:
 \$100,000 each accident
 \$100,000 each employee by disease
 \$500,000 aggregate disease

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

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

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

2.132 SUBCONTRACTOR INSURANCE COVERAGE

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

2.133 CERTIFICATES OF INSURANCE AND OTHER REQUIREMENTS

Contractor must furnish to DTMB-Procurement, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **The Contract Number or the Purchase Order Number must be shown on the Certificate Of Insurance To Assure Correct Filing.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that Insurer will endeavor to give 60 days notice of cancellation, material change or non-renewal of coverage afforded under the policies. The notice must include the Contract or Purchase Order number affected. Before the Contract is signed the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insured under each commercial general liability and commercial automobile liability policy. Contractor will use reasonable efforts to provide certificates as soon as possible once the policies have been renewed; but it is possible that the policies will only be renewed a few days in advance of expiration. Contractor will however provide evidence annually that coverage has been renewed. In the event



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

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

2.140 Indemnification

2.141 GENERAL INDEMNIFICATION

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

2.142 RESERVED

2.143 EMPLOYEE INDEMNIFICATION

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

2.144 PATENT/COPYRIGHT INFRINGEMENT INDEMNIFICATION

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

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor must at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if the option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and



performance so that it becomes non-infringing, or, if the option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Notwithstanding the foregoing, the Contractor has no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment or software developed or services performed based on written specifications of the State; (ii) use of the equipment or software or other results of the services in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; (iii) the combination, operation, or use of the equipment or software or other outcome of services with equipment or software not supplied by the Contractor under this Contract; or (iv) the State's failure to use updated or corrected versions of the infringing item that would have prevented the time from infringing.

2.145 CONTINUATION OF INDEMNIFICATION OBLIGATIONS

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

2.146 INDEMNIFICATION PROCEDURES

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

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



required to indemnify the State, upon request of the State, Contractor must promptly reimburse the State for all the reasonable costs and expenses.

- (d) Contractor's infringement indemnification obligations set forth in this Section 2.140 are Contractor's sole and exclusive obligations concerning, and the State's sole and exclusive remedy for, any breach of the infringement warranty in Section 2.121(c) and any infringement claim asserted under this Section 2.144.

2.150 Termination/Cancellation

2.151 NOTICE AND RIGHT TO CURE

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

2.152 TERMINATION FOR CAUSE

- (a) The State may terminate this contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State.
- (b) If this Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under this Contract.
- (c) If the State chooses to partially terminate this Contract for cause, charges payable under this Contract shall be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.
- (d) If the State terminates this Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in this Contract for a termination for convenience.

2.153 TERMINATION FOR CONVENIENCE

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



2.154 TERMINATION FOR NON-APPROPRIATION

- (a) Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State must terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).
- (b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under this Contract shall be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.
- (c) If the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section shall not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.155 TERMINATION FOR CRIMINAL CONVICTION

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense related to a State, public or private Contract or subcontract.

2.156 TERMINATION FOR APPROVALS RESCINDED

The State may terminate this Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State shall pay the Contractor for only the work completed to that point under the Contract. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in the written notice.

2.157 RIGHTS AND OBLIGATIONS UPON TERMINATION

- (a) If the State terminates this Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.
- (b) If the State terminates this Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under this Contract, for Work In Process, on a percentage of completion basis at the level of completion reasonably determined by the State. All completed or partially completed



Deliverables prepared by Contractor under this Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables and the State's ownership shall be conditioned on payment therefor. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

- (c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.158 RESERVATION OF RIGHTS

Any termination of this Contract or any Statement of Work issued under it by a party must be with full reservation of, and without prejudice to, any rights or remedies otherwise available to the party with respect to any claims arising before or as a result of the termination.

2.160 Termination by Contractor

2.161 TERMINATION BY CONTRACTOR

If the State breaches the Contract, and the Contractor in its sole discretion determines that the breach is curable, then the Contractor will provide the State with written notice of the breach and a time period (not less than 30 days) to cure the breach. The Notice of Breach and opportunity to cure is inapplicable for successive and repeated breaches.

The Contractor may terminate this Contract if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under this Contract, (ii) breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for the Contractor to perform the Services, or (iii) does not cure the breach within the time period specified in a written notice of breach. But the Contractor must discharge its obligations under **Section 2.160** before it terminates the Contract.

2.170 Transition Responsibilities

2.171 CONTRACTOR TRANSITION RESPONSIBILITIES

If the State terminates this contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor shall comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed (90) days. These efforts must include, but are not limited to, those listed in **Section 2.150**.

2.172 CONTRACTOR PERSONNEL TRANSITION

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

2.173 CONTRACTOR INFORMATION TRANSITION

The Contractor shall provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under this Contract. The Contractor will provide the State with asset management data generated from the inception of this Contract through the date on which this Contractor is terminated in a comma-delineated format unless otherwise



requested by the State. The Contractor will deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

2.174 CONTRACTOR SOFTWARE TRANSITION

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

2.175 TRANSITION PAYMENTS

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

2.176 STATE TRANSITION RESPONSIBILITIES

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

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

2.180 Stop Work

2.181 STOP WORK ORDERS

The State may, at any time, by written Stop Work Order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the Stop Work Order is delivered to Contractor, and for any further period to which the parties may agree. The Stop Work Order must be identified as a Stop Work Order and must indicate that it is issued under this **Section**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the Stop Work Order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the Stop Work Order as provided in **Section 2.182**.

2.182 CANCELLATION OR EXPIRATION OF STOP WORK ORDER

The Contractor shall resume work if the State cancels a Stop Work Order or if it expires. The parties shall agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract shall be modified, in writing, accordingly, if: (a) the Stop Work Order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment will conform to the requirements of **Section 2.024**.

2.183 ALLOWANCE OF CONTRACTOR COSTS

If the Stop Work Order is not canceled and the work covered by the Stop Work Order is terminated for reasons other than material breach, the termination shall be deemed to be a termination for convenience under **Section 2.153**, and the State shall pay reasonable costs resulting from the Stop Work Order in arriving at the



termination settlement. For the avoidance of doubt, the State shall not be liable to Contractor for loss of profits because of a Stop Work Order issued under this Section.

2.190 Dispute Resolution

2.191 IN GENERAL

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

2.192 INFORMAL DISPUTE RESOLUTION

(a) All disputes between the parties shall be resolved under the Contract Management procedures in this Contract. If the parties are unable to resolve any dispute after compliance with the processes, the parties must meet with the Director of Procurement, DTMB, or designee, to resolve the dispute without the need for formal legal proceedings, as follows:

- (1) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter at issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
 - (2) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract shall be honored in order that each of the parties may be fully advised of the other's position.
 - (3) The specific format for the discussions shall be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
 - (4) Following the completion of this process within 60 calendar days, the Director of Procurement, DTMB, or designee, shall issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.
- (b) This Section shall not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under Section 2.193.
- (c) The State shall not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

2.193 INJUNCTIVE RELIEF

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

2.194 CONTINUED PERFORMANCE

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to



preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.150**, as the case may be.

2.200 Federal and State Contract Requirements

2.201 NONDISCRIMINATION

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

2.202 UNFAIR LABOR PRACTICES

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

2.203 WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT

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

2.204 RESERVED

2.210 Governing Law

2.211 GOVERNING LAW

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

2.212 COMPLIANCE WITH LAWS

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

2.213 JURISDICTION

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



2.220 Liability

2.221 LIMITATION OF LIABILITY

Neither the Contractor nor the State shall be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The Contractor's liability for damages to the State is limited to two times the value of the Contract or \$500,000 whichever is higher. The foregoing limitation of liability does not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

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

2.222 CONTRACTOR LIABILITY FOR FFP

The Contractor shall, subject to the limitation of liability set forth in Section 2.221, be responsible for any loss, deferral or disallowance of any claim for federal financial participation ("FFP") or any financial penalty related thereto, suffered by the State to the extent resulting from the Contractor's or its subcontractor's failure to timely or adequately perform their responsibilities under the Contract.

2.230 Disclosure Responsibilities

2.231 DISCLOSURE OF LITIGATION

Contractor shall disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) shall notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities. The Contractor shall disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements that are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation shall be deemed to satisfy the requirements of this Section.

If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:

- (a) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or
- (b) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
 - (1) Contractor and its Subcontractors will be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and
 - (2) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.



- (c) Contractor shall make the following notifications in writing:
- (1) Within 30 days of Contractor becoming aware that a change in its ownership has occurred, or is certain to occur, Contractor must notify DTMB-Procurement.
 - (2) Contractor shall also notify DTMB Procurement within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
 - (3) Contractor shall also notify DTMB-Procurement within 30 days whenever changes to affiliations occur to the company identified as Contractor on the cover sheet of this Contract.

2.232 CALL CENTER DISCLOSURE

Contractor and/or all subcontractors involved in the performance of this Contract providing call or contact center services to the State shall disclose the location of its call or contact center services to inbound callers. Failure to disclose this information is a material breach of this Contract.

2.233 BANKRUPTCY

The State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish the Works in Process by whatever appropriate method the State may deem expedient if:

- (a) the Contractor files for protection under the bankruptcy laws;
- (b) an involuntary petition is filed against the Contractor and not removed within 30 days;
- (c) the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;
- (d) the Contractor makes a general assignment for the benefit of creditors; or
- (e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under this Contract.

Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process shall be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

2.240 Performance

2.241 TIME OF PERFORMANCE

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

2.242 SERVICE LEVEL AGREEMENT (SLA)

- (a) SLAs will be completed with the following operational considerations:
 - (1) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.
 - (2) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.
 - (3) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. To invoke this consideration, complete



documentation relevant to the denied planning proposal must be presented to substantiate the proposal.

- (4) Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following:
 - (i) Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.
 - (ii) Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.
- (b) Chronic Failure for any Service(s) will be defined as three unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling 30 day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different vendor for the chronic location(s) with Contractor to pay the difference in charges for up to three additional months. The termination of the Service will not affect any tiered pricing levels.
- (c) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor will provide its analysis within two weeks of outage(s) and provide a recommendation for resolution.
- (d) All decimals must be rounded to two decimal places with five and greater rounding up and four and less rounding down unless otherwise specified.

2.243 LIQUIDATED DAMAGES

The parties agree to liquidate damages as specified in the subsections below. The assessment of liquidated damages is not intended as a penalty, but instead is the parties' reasonable estimate of fair compensation for the foreseeable losses that might result from the breach.

The assessments made by the State under this provision are considered liquidated damages and will not be considered consequential, incidental, indirect, or special damages under section 2.221.

Unauthorized Removal of any Key Personnel

It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 2.152**, the State may assess liquidated damages against Contractor as specified below.

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

If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 10 days, in addition to the \$25,000.00 liquidated damages for an Unauthorized Removal, Contractor must pay the amount of \$833.33 per day for each day of the 10 day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$10,000.00 maximum per individual. The total liquidated damages that may be assessed per Unauthorized Removal and failure to provide 10 days of shadowing must not exceed \$35,000.00 per individual.

2.244 EXCUSABLE FAILURE

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent the default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation,



equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.

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

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

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

2.250 Approval of Deliverables

2.251 DELIVERY OF DELIVERABLES

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

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

In discharging its obligations under this Section, Contractor shall use commercially reasonable efforts in view of the short project deadlines to be in compliance with Level 3 of the Software Engineering Institute's Capability Maturity Model for Software ("CMM Level 3") or its equivalent; however the parties acknowledge it is likely that the parties will agree to compromise some of the CMM Level 3 process in the interest of meeting the



deadlines. CGI commits to collaborate with the network of participating vendors to achieve the goals and objectives utilizing mutually agreed professional means within acceptable risk tolerances.

2.252 CONTRACTOR SYSTEM TESTING

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

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

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

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

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

2.253 APPROVAL OF DELIVERABLES, IN GENERAL

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

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

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



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

If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing State approval of a Deliverable, the State may: (i) demand that Contractor cure the failure and give Contractor additional time to cure the failure at the sole expense of Contractor; or (ii) keep this Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, in which event Contractor shall bear any reasonable excess expenditure incurred by the State in so doing beyond the contract price for such Deliverable and will pay the State an additional sum equal to ten percent (10%) of such excess expenditure to cover the State's general expenses without the need to furnish proof in substantiation of such general expenses; or (iii) terminate this Contract for default, either in whole or in part by notice to Contractor (and without the need to afford Contractor any further opportunity to cure). Notwithstanding the foregoing, the State shall not use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

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

Approval in writing of a Deliverable by the State shall be provisional; that is, such approval shall not preclude the State from later identifying deficiencies in, and declining to accept, a subsequent Deliverable based on or which incorporates or inter-operates with an approved Deliverable, to the extent that the results of subsequent review or testing indicate the existence of deficiencies in the subsequent Deliverable, or if the Application of which the subsequent Deliverable is a component otherwise fails to be accepted pursuant to **Section 2.250**.

If the State fails to timely deliver a notice of deficiencies as required in Sections 2.253 through 2.256, the CGI project manager will notify the State project manager, who shall promptly deliver the required notice of deficiencies. If the State's delay in delivering the notice of deficiencies impacts CGI's ability to meet its obligations under the Statement of Work, CGI shall be entitled to an adjustment to the Project Schedule to compensate for the State's delay. In no event will CGI incur liability or penalties for any delay resulting from a delay by the State in meeting its obligations under Sections 2.253 through 2.256.

2.254 PROCESS FOR APPROVAL OF WRITTEN DELIVERABLES

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



2.255 PROCESS FOR APPROVAL OF CUSTOM SOFTWARE DELIVERABLES

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

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

For the Custom Software Deliverables listed in the Statement of Work, the State Review Period for conducting UAT will be as indicated in the Statement of Work. For any other Custom Software Deliverables not listed in the Statement of Work of this Contract or as identified in a future amendment, the State Review Period shall be the number of days agreed in writing by the parties (failing which it shall be five (5) days by default). The State Review Period for each Custom Software Deliverable will begin when Contractor has delivered the Custom Software Deliverable to the State accompanied by the certification required by this Section and the State's inspection of the Deliverable has confirmed that all components of it have been delivered.

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

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

2.256 FINAL ACCEPTANCE

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

2.260 Ownership

2.261 OWNERSHIP OF WORK PRODUCT BY STATE

Except for Contractor Technology, the State owns all Deliverables, as they are work made for hire by the Contractor for the State. The State owns all United States and international copyrights, trademarks, patents or other proprietary rights in the Deliverables. Contractor retains all right, title and interest, including all copyrights, in any Contractor Technology. Upon payment for services, the State shall have a royalty-free, nonexclusive, and irrevocable license for the State and the U.S. Federal government to reproduce, publish, or otherwise use Contractor Property and to authorize others to do solely for the development and/or use of a government-operated health insurance exchange and eligibility automation system in accordance with the Affordable Health Care Act and applicable regulations or other Federal purposes. The State shall not have any other rights in or to Contractor Technology. Neither the State nor any third party, may remove or modify (or allow any third party to remove or modify) any notice of Contractor's proprietary rights in and/or on Contractor



Technology. The State's rights to use any Pre-existing Software shall be set forth in the license agreement for such software.

For purposes of this Section, "Contractor Technology" means intellectual property owned by Contractor and its Subcontractors prior to the Execution Date (as well as certain modifications, enhancements or improvements to such intellectual property developed hereunder without payment of federal funding or Federal Financial Participation by the State or developed or owned by Contractor or its Subcontractors outside the scope of this Contract), including Contractor's or its Subcontractors' proprietary methodologies, project management and other tools, deliverable examples, procedures, processes, techniques, data models, templates, general purpose consulting and software tools, utilities, and routines; Pre-existing Software (as defined below); and Contractor's Confidential Information. Contractor Technology also includes advice and information pertaining to Pre-Existing Software including the capabilities, implementation and configuration of such software.

"Pre-existing Software" means all computer programs which were developed and owned by Contractor and/or its Subcontractors prior to the execution date of this Contract ("Execution Date") or outside the scope of this Contract, and any modifications thereof and derivative works based therein; Third-Party Software provided by Contractor to the State under this Contract; and the documentation used to describe, maintain and use such Pre-existing Software, including such Third-Party Software.

2.262 VESTING OF RIGHTS

With the sole exception of any Contractor Technology, the Contractor assigns, and upon creation of each Deliverable automatically assigns, to the State, ownership of all United States and international copyrights, trademarks, patents, or other proprietary rights in each and every Deliverable, whether or not registered by the Contractor, insofar as any the Deliverable, by operation of law, may not be considered work made for hire by the Contractor for the State. The State shall own all Deliverables created by Oracle pursuant to the CGI-Oracle subcontract supporting this Contract jointly with Oracle without right or obligation of accounting. From time to time upon the State's request, the Contractor must confirm the assignment by execution and delivery of the assignments, confirmations of assignment, or other written instruments as the State may request. The State may obtain and hold as joint owner all copyright, trademark, and patent registrations and other evidence of rights that may be available for Deliverables.

2.263 RIGHTS IN DATA

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

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



2.264 OWNERSHIP OF MATERIALS

The State will continue to own all right, title, and interest in and to all patent, copyright, trade secret, trademark, and other intellectual property rights in its proprietary technologies developed before entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State. The Contractor and its subcontractors will retain all right, title, and interest in and to all patent, copyright, trade secret, trademark, and other intellectual property rights in the Contractor Technology. Any software licensed through the Contractor and sold to the State, will be licensed directly to the State.

2.270 State Standards

2.271 EXISTING TECHNOLOGY STANDARDS

The Contractor must adhere to all existing standards for developing any required interfaces as identified in Article 1 with existing state systems as described within the comprehensive listing of the State's existing technology standards at <http://www.michigan.gov/dmb/0,4568,7-150-56355-108233--,00.html>

2.272 ACCEPTABLE USE POLICY

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

2.273 SYSTEMS CHANGES

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

2.280 Extended Purchasing

For purposes of Sections 2.281 and 2.283, the pricing and general terms and conditions of this Contract will be passed on to participating members, however any pricing or other terms that are specific to the participating member will be subject to good faith negotiation resulting in mutual agreement between Contractor and the participating member.

2.281 MIDEAL (MICHIGAN DELIVERY EXTENDED AGREEMENTS LOCALLY)

A. MiDEAL Requirements

1. The Contractor must ensure that all purchasers are MiDEAL Members before extending the Contract pricing. A current listing of approved MiDEAL Members is available at: www.michigan.gov/mideal.
2. The Contractor must submit quarterly reports of MiDEAL purchasing activities to DTMB-Purchasing Operations.
3. The Contractor must submit invoices to and receive payment from MiDEAL Members on a direct and individual basis.
4. Estimated requirements for MiDEAL members are not included in the quantities shown in this RFP, unless otherwise noted.
5. The State of Michigan reserves the right to negotiate additional discounts based on any increased volumes by MiDEAL members.

B. MiDEAL Administrative Fee

1. The Contractor must remit a MiDEAL administrative fee on all sales transacted under this Contract, and remit the fee within 30 days after the end of each quarter. The administrative fee equals [one percent]of the total quarterly sales reported.



2. The Contractor must pay the administrative fee by check payable to the State of Michigan. The Contractor must identify the check as an "Administrative Fee" and include the following information with the payment: the applicable Contract Number, the total quarterly sales by volume and dollar amount, and the quarter covered.
3. The Contractor must send the check to the following address:
Department of Technology, Management and Budget
Financial Services – Cashier Unit
Lewis Cass Building
320 South Walnut St.
P.O. Box 30681
Lansing, MI 48909

2.282 STATE EMPLOYEE PURCHASES

DELETED – Not Applicable

2.283 COOPERATIVE PURCHASING

- (a) This Contract may be extended to additional States or governmental jurisdictions upon mutual written agreement between the State of Michigan and the Contractor. Political subdivisions and other authorized entities within each participating State or governmental jurisdiction may also participate in this Contract if such State allows participation by such entities.
- (b) All MiDEAL processes, invoicing relationships, reporting and MiDEAL Service Fee also apply to cooperative purchasing participants.
- (c) The State of Michigan reserves the right to negotiate additional discounts based on any increased volume generated by such extensions.

2.290 Environmental Provision

2.291 ENVIRONMENTAL PROVISION

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

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

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



Federal Insecticide Fungicide and Rodenticide Act, and (5) "hazardous wastes" as defined or listed under the Resource Conservation and Recovery Act.

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

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

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

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

2.300 Deliverables

2.301 SOFTWARE

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



2.302 HARDWARE

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

2.310 Software Warranties

2.311 PERFORMANCE WARRANTY

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

2.312 NO SURREPTITIOUS CODE WARRANTY

The Contractor represents and warrants that the software to which the Contractor grants the State access will not contain any Self-Help Code or any Unauthorized Code as defined below. This warranty is referred to in this Contract as the "No Surreptitious Code Warranty."

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

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

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

2.313 CALENDAR WARRANTY

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

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



reports, etc.) that accurately show 4 digit years; and assurance that the year 2000 shall be correctly treated as a leap year within all calculation and calendar logic.

2.314 THIRD-PARTY SOFTWARE WARRANTY

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

2.315 RESERVED

2.320 Software as a Service and Software Licensing

As specified in the SOW, CGI will provide the Oracle OPA product ("OPA") as the core of the MAGI eligibility solution. During the term of this Contract, OPA will be provided to the State on a subscription basis as Software-as-a-Service ("SaaS"). CGI represents and warrants that it has secured all necessary legal rights from Oracle to provide OPA as SaaS through a perpetual license agreement, which provides for transfer of the license to the State upon expiration or earlier termination of this Contract. Prior to Go-Live of the MAGI eligibility solution, the parties will negotiate in good faith to enter into an operational agreement specifying the terms and conditions governing the ongoing operation of the SaaS solution.

2.321 RESERVED

2.322 RESERVED

2.323 RESERVED

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2.339 RESERVED



Glossary

Days	Means calendar days unless otherwise specified.
24x7x365	Means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
Additional Service	Means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
Audit Period	See Section 2.110
Business Day	Whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
Blanket Purchase Order	An alternate term for Contract as used in the States computer system.
Business Critical	Any function identified in any Statement of Work as Business Critical.
Chronic Failure	Defined in any applicable Service Level Agreements.
Deliverable	Physical goods and/or commodities as required or identified by a Statement of Work
DTMB	Michigan Department of Technology, Management and Budget
Environmentally preferable products	A product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those that contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.
Excusable Failure	See Section 2.244.
Hazardous material	Any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).
Incident	Any interruption in Services.
ITB	A generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the RFP to potential bidders
Key Personnel	Any Personnel designated in Article 1 as Key Personnel.
New Work	Any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
Ozone-depleting substance	Any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydro chlorofluorocarbons
Post-Consumer Waste	Any product generated by a business or consumer which has served its intended end use, and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.
Post-Industrial Waste	Industrial by-products that would otherwise go to disposal and wastes generated after completion of a manufacturing process, but do not include internally generated scrap commonly returned to industrial or manufacturing processes.
Recycling	The series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.
Deleted – Not Applicable	Section is not applicable or included in this RFP. This is used as a placeholder to maintain consistent numbering.
Reuse	Using a product or component of municipal solid waste in its original form more than once.



RFP	Request for Proposal designed to solicit proposals for services
Services	Any function performed for the benefit of the State.
Source reduction	Any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.
State Location	Any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
Subcontractor	A company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
Unauthorized Removal	Contractor's removal of Key Personnel without the prior written consent of the State.
Waste prevention	Source reduction and reuse, but not recycling.
Waste reduction and Pollution prevention	The practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.
Work in Progress	A Deliverable that has been partially prepared, but has not been presented to the State for Approval.
Work Product	Refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by this Contract.



Attachment A - Requirements

General/Technical and Functional Requirements

- General/Technical requirements will identify the general framework in which the product must work, such as: system architecture, documentation, audit and backup and recovery.
- Functional requirements identify what the solution must do to enable performance of work tasks and any applicable service levels.

Prime Contractor and Contractor's Subcontractors are defined as Contractor. The Contractor must comply with all State and Federal Policies and guidelines. With Approval by the State of Michigan, all versions must meet or be above what is specified.

The Contractor has identified how they believe their solution complies with each requirement as follows:

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

***Yes with Modification** – is defined as the solution does not currently comply with the requirement but the Contractor will modify the solution through configuration, programming or source code changes which would result in their solution reaching full compliance with a requirement prior to the Implementation completion date (October 1, 2013). The following letters provided within the Yes with Modification column identifies how the solution will be modified to fully comply:*

***A** - Configuration required to comply with the requirement*

***B** - Programming required to comply with the requirement*

***C** - Source code change required to comply with the requirement*

All such modifications are included in the fixed price solution pricing.

NOTE:

Emergent: In pilot or in deployment phase.

Standard: Enterprise-wide standard with full deployment and support.

Sunset: No implementation, development or support. Must justify use.

Follow db: Reporting tool must be same version as database version.



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1000. (Client/Workstation)					
1000.1	If the Application is a Thin Client architecture it should use or explain the Thin Client implementation. The application shall function with: <ul style="list-style-type: none"> • Citrix version 5.0; • Windows Terminal; • Server version 2008 and 2012. 	X			The MAGI Eligibility Service does not have user interfaces that are affected by this requirement. All user interfaces will use standard http browser connections to the Apache webserver.
1000.2	The Application must function with the following web browser(s) in an INTRANET environment: <ul style="list-style-type: none"> • Microsoft IE 8.0. 	X			The MAGI Eligibility Service does not have user interfaces beyond system administration functions. These user interfaces will support the Microsoft IE 8.0 web browser.
1000.3	The Application must function with the following web browser(s) in an INTERNET environment: <ul style="list-style-type: none"> • Microsoft IE 6.0 or above; • Firefox 3.0 and above; • Chrome 3.0 and above; • Safari 4.x and above. 	X			All MAGI Eligibility Service user interfaces comply with this requirement.
1000.4	The Application must function with the following desktop Operating System (OS): <ul style="list-style-type: none"> • Windows XP SP3; • Windows 7 Professional; • Windows 8 versions. 	X			The MAGI Eligibility Service is n-tier applications that are compatible with all desktop Operating Systems (OS) that support the following web browsers: <ul style="list-style-type: none"> • Microsoft IE 6.0 or above; • Firefox 3.0 and above; • Chrome 3.0 and above; • Safari 4.x and above.
1000.5	The Application's desktop client install must function on the following standard SOM desktop hardware: Link to SOM Desktop Standard: http://www.michigan.gov/dmb/0,1607,7-150-56355-108233--,00.html	X			All MAGI Eligibility Service user interfaces comply with this requirement.



Req. No.	Requirement	Yes	Yes w/ mods	No	Contractor Comments
1000.6	The Application will support the following mobile devices and their Operating System (OS): Link to SOM Handheld Devices: http://www.michigan.gov/dmb/0,1607,7-150-56355-108233--,00.html	X			The MAGI Eligibility Service is n-tier applications that are compatible with all mobile device Operating Systems (OS) that support the following web browsers: Microsoft IE 6.0 or above; • Firefox 3.0 and above; • Chrome 3.0 and above; • Safari 4.x and above.
1001. Documentation and Standards					
1001.1	Provide a logical network diagram that describes how the infrastructure components will meet the functional requirements.	X			The contractor will provide a detailed, logical network diagram describing how the infrastructure components have been engineered to meet or exceed the SOM functional requirements.
1001.2	Provide conceptual and logical data-flow diagrams.	X			The contractor will refine conceptual and logical data flow diagrams during the Functional Design and System Design Stage tasks.
1001.3	Provide a complete installation and configuration documentation library.	X			The contractor will provide comprehensive installation and configuration documentation for the MAGI Eligibility Service solution. This will enable the SOM to assume operational control of the solution when ready.
1001.4	Provide a high-level architecture diagram, including logical and physical components.	X			The contractor will provide high level physical and logical architecture diagrams as part of our project documentation. The contractor has included some preliminary diagrams in the response descriptions.
1001.5	System documentation will describe error logging and how to access the error logs. The State of Michigan should have near real time access to all log files.	X			The contractor's Software as a Service offering provides all of the tools necessary for the State of Michigan to administer, operate and maintain the system.
1001.6	System documentation must describe Disaster Recovery capabilities (including Hot and Cold standby options, licensing implications, and critical vs. non-critical functionality and data).	X			The contractor has proposed a high availability hosting infrastructure that meets and exceeds the 2 hour Return to Operation and 2 hour Recovery Point Objective. The architecture also supports hot and cold standby capabilities as well as all



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
					licenses necessary.
1001.7	System documentation will describe any batch processing requirements for the application.	X			The contractor's system documentation will be inclusive of online/real-time and batch processes.
1001.8	System documentation will describe required application maintenance activities and time frames.	X			
1001.9	Application/System documentation will provide FAQ and/or Support Information for frequent issues staff/users may encounter.	X			
1003. Installation					
1003.1	Provide a detailed work plan (in hours) and duration (in days) of a typical installation of the base package, including all modules. Include both SOM and vendor effort.	X			The contractor has provided a detailed work plan in our proposal that we refine in collaboration with the State of Michigan during contract negotiation process.
1003.2	Provide a high-level project plan outlining activity descriptions, work effort, duration and resources for a typical base-package installation.	X			The contractor has provided a detailed work plan in the proposal that will be refined in collaboration with the State of Michigan during contract negotiation process.
1003.3	Provide a description of the skill sets of all resources required for a typical install of the base package.	X			The contractor will provide an inventory of the skills required to install the CGI solution. We will focus on the specific skills necessary and not prescribe the number of people.
1003.4	Provide a list of functional issues encountered by other users during a typical implementation of your software.	X			The contractor will view solution clients as a consortium where all users benefit from the experiences and innovations of each other. The contractor will facilitate the information sharing process as well as encourage clients to talk directly with each other.
1003.5	Provide a list of technical issues encountered by other users during a typical implementation of your software.	X			The contractor will view solution clients as a consortium where all users benefit from the experiences and innovations of each other. The contractor will facilitate the information sharing process as well as encourage clients to talk directly with each other.



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1003.6	The application will be remotely deployable and supportable using the following management tool(s): <ul style="list-style-type: none"> • Microsoft's SCCM (SMS); • Marimba; • SSH (Secure Shell for Unix OS). 	X			
1003.7	Provide a detailed list of any browser plug-ins (e.g., ActiveX, Java, Flash) required by the application. All plug-ins, add-ons, or additional software must be approved in advance.	X			The contractor's MAGI Eligibility Service does not have any browser plug-in requirements. In the event this changes, the contractor will provide sufficient forewarning and coordinate the implementation with SOM.
1003.8	Provide a detailed list of client components (e.g. ODBC, JDBC, Java Beans, other) required by the application, including permission(s) levels.	X			
1003.9	All agents and bots used for monitoring or maintenance of servers and software must be listed including function, install location, permission level, resource usage and all patching and updating procedures.	X			The contractor will provide a comprehensive listing of processes and tools used to monitor and maintain servers and software, including permissions, resources, patching and updating procedures.
1003.10	Provide a detailed list of any and all third-party tools, patching and updating procedures required by the application and how they will be supported over the System Development Life Cycle (SDLC).	X			The contractor will provide a detailed list of all tools, patching and updating procedures. SDLC processes and configuration management disciplines allow the contractor to maintain infrastructure and 3rd party software currency during development/implementation activities.
1004. Product Development done to support this RFP will follow the requirement listed below:					
1004.1	Provide a report of all known current application defects and the timeline for mitigation efforts.	X			The contractor will use mature Product Management policies and procedures. The contractor understands the importance of the solution in supporting the SOM's core business operations and understands that transparency is a critical component of business relationships. The contractor will work with the State of Michigan to evaluate the impact of known defects and identify mitigation alternatives until ultimate resolution.



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1004.2	Provide a roadmap for all platform/application enhancements that are planned for the next three years.	X			The contractor will provide a 3-5 year roadmap for solution components. The contractor is guided by the SOM's needs as SOM and contractor jointly react to revisions in the Affordable Care Act and anticipate operational improvements.
1004.3	The application will follow the SUITE testing processes and documentation of testing and testing types/levels must be provided.	X			The contractor has reviewed the SUITE Testing documentation, the Testing Process Manual Version 1.0, http://www.michigan.gov/documents/suite/SEM_Testing_Process_Manual_314192_7.pdf . The application will follow the SUITE testing processes. The contractor will provide documentation of testing and testing types/levels.
1004.4	Application development will be done in the following development framework: <ul style="list-style-type: none"> • .NET Framework 3.5 and above (standard); • JEE 5.x and above (standard). 	X			The contractor's solution will use the JEE 5.x and above framework.
1004.5	Programming will be done in the current or newer versions of the following language(s): <ul style="list-style-type: none"> • ASP.Net 2008 (standard); • C# (standard); • Java (standard); • JavaScript (standard); • JDK 6.x (standard); • PHP 5.2 (standard); • VB .NET 2008 (standard). 	X			The contractor will develop solution software using the current version of Java and PHP.
1004.6	Commercial Off The Shelf (COTS) third-party libraries included within the application will be owned and supportable by the State. Inclusion of any third-party code library or tool must be approved by the SOM Contract Manager or Project Manager.	X			The contractor's hosted solution utilizes third-party infrastructure software such as Red Hat JBoss SOA Suite and MySQL. If the contractor and the State of Michigan agree to migrate the MAGI Eligibility Solution from the contractor's hosting environment to the SOM data center, the contractor will coordinate the transfer of ownership of the third-party software licenses.



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1004.7	Custom-developed third-party libraries included within the application will be owned and supportable by the State. Inclusion of any 3rd party code library or tool must be approved by the SOM Contract Manager or Project Manager.	X			At this time, there are no custom-developed third-party licenses anticipated in the MAGI Eligibility Solution. If clarified business requirements result in a change, the contractor will architect any such third-party libraries in a manner that ownership can be transferred to the State of Michigan.
1004.8	Bidder will provide a complete change/history log upon request of all software developed under contract.	X			Upon request, the contractor will provide the change history for the software developed. The contractor's configuration and release management processes will incorporate careful tracking of all changes and deployments.
1004.9	Software development will use the following source code version control repositories: <ul style="list-style-type: none"> • Microsoft Team Foundation System (standard); • Serena Dimensions (PVCS/Ver Mgr) 2009 R1.x (standard); • Subversion 1.6 (standard). 	X			The contractor will use the most current supported version of Subversion, currently 1.6, for source code version control.
1004.10	Software development must adhere to the System Engineering Methodology (SEM) described in the State Administrative Guide (Section 1360): http://www.michigan.gov/documents/dmb/1360.00_281429_7.pdf	X			The contractor will develop software in adherence to the System Engineering Methodology (SEM) as described in the State Administrative Guide (Section 1360). The contractor will adhere to SOM governance directives and the prioritization of "Alignment with agency goals".
1004.11	System documentation will clearly describe the type of caching, if any, the system employs.	X			All caching utilized by the MAGI Eligibility Solution will be included in the contractor's system documentation.
1005. Reporting					
1005.1	The reporting product technology will be compatible with n-Tier architecture (client-server & web).	X			The MAGI Eligibility Service reporting technology is n-tier compatible.
1005.2	The reporting product technology will be compatible with the following Server Operating Systems: <ul style="list-style-type: none"> • (see requirement 1009.9) 	X			The MAGI Eligibility Service Reporting technology is compatible with the SOM approved Server operating systems.



Req. No.	Requirement	Yes	Yes w/ mod s	No	Contractor Comments
1005.3	The reporting tool/system will be certified for use with the VMware x86 based virtualization platform.	X			The MAGI Eligibility Service Reporting technology is certified for use with VMware x86 based virtualization platform.
1005.4	The reporting product technology will be compatible with desktop virtualization.	X			The MAGI Eligibility Service reporting solution does not have any specific desktop requirements and is compatible with the SOM standard browsers.
1005.5	The reporting product technology will not require any installed component on the user desktop.	X			The MAGI Eligibility Service reporting solution does not have any specific desktop requirements and is compatible with the SOM standard browsers.
1005.6	The reporting product technology will not require any installed component in the user browser other than the following: • Adobe Acrobat Reader.	X			The MAGI Eligibility Service reporting solution does not have any specific desktop requirements and is compatible with the SOM standard browsers.
1005.7	The reporting product technology will be compatible with the following Job Scheduling tools: • BL/Sched 5.0 & 5.2 (standard); • GECS all versions (standard); • OpCon XPS 3.31.02 & 4.x, 5.x (standard); • Tidal Enterprise Scheduler 5.3.1 (standard); • Tidal Enterprise Scheduler 6.0 (standard); • Tidal Enterprise Scheduler 6.1 & 6.5 (emerge); • UC4 Global all versions (sunset); • UC4 Operations Mgr 6.0 & 8.0 (standard).	X			The MAGI Eligibility Service reporting technology will reside in the contractor's hosted Software as a Service environment and will utilize the standard job schedulers, and is compatible with the SOM standard tools listed.
1005.8	The reporting product technology will be compatible with one or more of the following Reporting tools: • Active Reports 4.0 (standard); • SAP Business Objects (BO) XI R2 (standard); • SAP Business Objects (BO) XI 3.x (standard); • SAP Business Objects (BO) XI 4.x (emerge); • Crystal Reports 2008 (standard); • MSSQL 2008, R2 & 2012 Reporting Services (follow db); • Oracle Reports 11g (standard) • WebFOCUS.	X			The MAGI Eligibility Service reporting technology is an open architecture tool that is compatible with other open architecture software components and tools.



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1005.9	The reporting product technology will be compatible with the State standard Extract Transform Load (ETL) tools.	X			The MAGI Eligibility Service reporting technology is an open architecture tool that is compatible with other open architecture software components and tools.
1005.10	The reporting product technology will support ad-hoc reporting via custom-built queries without requiring any custom programming or changes to the application. Query design must rely only on end-user configuration.	X			The MAGI Eligibility Service reporting technology will provide non-technical, end user ad hoc report generation capability.
1006. Application Security					
1006.1	The solution must have built-in security controls and meet or exceed current SOM security requirements as described in the State Administrative Guide: http://www.michigan.gov/dmb/0,1607,7-150-9131_9347---_00.html#1300INFSTDSPLNNG .	X			The MAGI Eligibility Service utilizes security controls that meet or exceed the current, relative SOM security requirements.
1006.2	Application access must be loggable and have a viewable audit trail(s) near real time for the SOM to access.	X			The MAGI Eligibility Service core functionality does not include any direct user access features. The only access will be for metrics and history logs.
1006.3	Changes to user permissions must be loggable and have a viewable audit trail(s) near real time for the SOM to access.	X			All user permission setup and changes will be logged and available for near real time access.
1006.4	Access to audit trail logs must be able to be restricted to approved administrators near real time for the SOM to access.	X			Access to all MAGI Eligibility Service application and environment data will be strictly limited to authorized users and utilize SOM approved two-factor authentication.
1006.5	Application access and changes to application access must log near real time for the SOM to access, at least, the following information: <ul style="list-style-type: none"> • Date/time; • Nature of operation; • Name of changed; item • Name of who made the change; • Before and after value of the changed item. 	X			All user permission setup and changes will be logged and available for near real time access.



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1006.6	The following application change event(s) must be logged near real time for the SOM to access, at minimum: <ul style="list-style-type: none"> • Changes to individual permission level; • Changes to role membership; • Changes to role permissions; • Changes to access to application functions. 	X			All user permission setup and changes will be logged and available for near real time access.
1006.7	The System Administrator must be able to control access to audit trail logs in near real time.	X			
1006.8	Access to program libraries (e.g. base code) must be restricted and controlled.	X			Access to all program libraries will be tightly controlled and limited to resources that meet SOM and SOM-approved contractor policies.
1006.9	Passwords and User ID's must be able to: <ul style="list-style-type: none"> • Protect sensitive data; • Restrict access to only those authorized; • Meet State/Agency Security Standards; • Be encryptable. 	X			The MAGI Eligibility Service does not have any functionality to provide end user access to data. Also, the MAGI Eligibility Solution does not persist data that is used in the processing of requests and responses beyond a pre-agreed amount of time after the requests have been fulfilled. All access to any data will comply with this requirement.
1006.10	User authentication methods, based on risk and severity level, will include: <ul style="list-style-type: none"> • User ID and Passwords; • Biometrics; • Directories; • Smart cards; • Single sign-on solutions; • Tokens; • PKI and Certificates; • Voice recognition; • Shared secrets; • Access control lists and files; • Unique business process. 	X			The contractor will use the appropriate two-factor authentication required for access to MAGI Eligibility Solution functionality.
1006.11	Session State will be stored and maintained in an encrypted manner.	X			



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1006.12	Session State will be stored and maintained in one or more of the following manners: <ul style="list-style-type: none"> • Cookie; • URL String; • Database. 	X			
1006.13	A software solution will be accessible (and administrable) through the SOM approved Virtual Private Network (VPN).	X			
1006.14	A solution will comply with all applicable application and data processing standards, including but not limited to: <ul style="list-style-type: none"> • FERPA; • HITECH; • FIPS; • NIST; • HIPAA; • Sarbanes-Oxley; • PCI-DSS; • CJIS; • IRS Pub.1075 Et.Seq.; • Homeland Security. 	X			The MAGI Eligibility Service complies with the standards applicable to the data being accessed. The contractor's SaaS hosting solution will be audited for HIPAA compliance on an annual basis at the contractor's expense.
1006.15	Application and database communication will use the following port(s) and protocol(s): <ul style="list-style-type: none"> • Internet Assigned Number Authority (IANA) registered ports • Oracle; • Microsoft SQL Server; • MySQL; • Teradata; • 80 / 443; • Others, as approved. 	X			The MAGI Eligibility Service uses the MySQL RDBMS and the contractor will work closely with the SOM to reach mutual agreement and approval on the ports and protocols that are used.
1006.16	Client application must support encryption of data both at rest and in motion, in accordance with the data classification.	X			The MAGI Eligibility Service utilizes encryption for data in flight using the protocols supported by the SOM and the Federal Data Services Hub. Data at rest will be encrypted in the MySQL database.
1006.17	Applications and systems must adhere to SOM Policy 1350.10 regarding Access to Networks, Systems, Computers, Databases, and Applications: http://www.michigan.gov/documents/dmb/1350.10_184594_7.pdf	X			
1006.18	Applications and systems must adhere to SOM Policy 1350.20 regarding Access to Protected Data Resources: http://www.michigan.gov/documents/dmb/1350.20_184600_7.pdf	X			



Req. No.	Requirement	Yes	Yes w/ mod s	No	Contractor Comments
1006.19	End-user software applications, or components thereof, must not require privileged, super-user or administrator mode in order to function properly.	X			The contractor will use appropriate user roles to control privileges and system component access.
1007. Network Security					
1007.1	Client applications must adhere to SOM Policy 1340.00 regarding "Information Security": http://www.michigan.gov/documents/dmb/1340_193162_7.pdf .	X			Client data security is a top priority. The contractor will execute a Business Associates Agreement with SOM covering the contractor's HIPAA data access and protection obligations.
1007.2	Applications and systems must adhere to SOM Policy 1350.10 regarding "Access to Networks, Systems, Computers, Databases, and Applications": http://www.michigan.gov/documents/dmb/1350.10_184594_7.pdf .	X			During contract negotiations, the contractor will work with SOM to confirm mutual assessment of the Risk Profile of the data. At this juncture, the contractor can assume that this data fits the Risk Two, Severity Two profile, requiring two factor authentication and PKI.
1007.3	Web interface or browser technology will use TCP/IP protocol through Ports 80 or 443.	X			The MAGI Eligibility Service will utilize Port 443 for web service communications as well as SSL secured UI browser interfaces.
1007.4	Applications and systems must conform to SOM Policy 1345.00 regarding "Network and Infrastructure": http://www.michigan.gov/documents/dmb/1345.00_282982_7.pdf .	X			The solution will be hosted within the CGI Government Cloud datacenter. The contractor's solution meets these requirements.
1007.5	Application communication between users and system components over the network will be loggable and the log file accessible to the system administrator near real time for the SOM to access.	X			The MAGI Eligibility Service does not include user interfaces to access system components beyond basic metric and system admin information. User access to these basic features will be logged.
1007.6	Applications and systems must adhere to SOM Policy 1350.20 regarding "Access to Protected Data Resources": http://www.michigan.gov/documents/dmb/1350.20_184600_7.pdf .	X			The contractor will work with the SOM to develop the specific policies and procedures for access to the MAGI Eligibility Service. The contractor's data centers have implemented the ITIL framework to maximize customer satisfaction and operational efficiencies.
1008. Server Security					



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1008.1	Application servers must be hardened prior to placing in production. The hardening process is handled by DTMB Infrastructure Services, in conjunction with Michigan Cyber Security (MCS).	X			The contractor's hosted solution requires that all production application servers are hardened prior any direct or indirect connectivity to the DMZ or external networks.
1008.2	End-user software applications, or components thereof, must not require privileged, super-user or administrator mode in order to function properly.	X			The contractor will use appropriate user roles to control privileges and system component access.
1008.3	Servers must have the most recent security patches applied to them and be configured in the least privileged mode prior to placing in production in a non-trusted environment.	X			The contractor will coordinate with the SOM DTMB to develop the mutually agreed upon patch process and cycle. The patching process includes incremental and progressing testing and validation in the non-production environments prior to being deployed to production. This process is flexible to appropriately handle urgent security patches that do not afford protracted pre-production testing.
1008.4	All server-based agents, bots and monitoring components must be listed along with a description of their function, required permission level and resource usage.	X			The contractor will provide a comprehensive listing of processes and tools used to monitor and maintain servers and software, including permissions, resources, patching and updating procedures.
1008.5	Applications and systems must adhere to SOM Policy 1350.10 regarding "Access to Networks, Systems, Computers, Databases, and Applications": http://www.michigan.gov/documents/dmb/1350.10_184594_7.pdf .	X			During contract negotiations, the contractor will work with SOM to confirm mutual assessment of the Risk Profile of the data. At this juncture, the contractor can assume that this data fits the Risk Two, Severity Two profile, requiring two factor authentication and PKI.
1008.6	Applications and systems must adhere to SOM Policy 1350.20 regarding "Access to Protected Data Resources": http://www.michigan.gov/documents/dmb/1350.20_184600_7.pdf .	X			The contractor will work with the SOM to develop the specific policies and procedures for access to the MAGI Eligibility Solution.
1009. Infrastructure					



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1009.1	Application server software components will operate the same, without regard to the hosting platform or OS. They should expose the same functionality and API's regardless of OS.	X			The MAGI Eligibility Service utilizes the JBoss EAP 5 application server, which is operating system agnostic.
1009.2	Application server software component updates will occur at the same time without regard to the hosting platform or OS, unless an exception is granted.	X			The contractor's software update policy is not operating system specific.
1009.3	The application tier will be certified for use with the VMware x86 based virtualization platform.	X			The MAGI Eligibility Service utilizes the JBoss EAP 5 application server, which is operating system agnostic.
1009.4	Systems running on the application server will support horizontal scaling.	X			The MAGI Eligibility Service is architected to support both horizontal and vertical scaling. It will be hosted in the CGI Federal Cloud, which provides horizontal and vertical elasticity to meet the solution demands and business cycles.
1009.5	Systems running on the application server will support vertical scaling.	X			The MAGI Eligibility Service is architected to support both horizontal and vertical scaling. It will be hosted in the CGI Federal Cloud, which provides horizontal and vertical elasticity to meet the solution demands and business cycles.
1009.6	Any job scheduling functions should be able to integrate with the following job scheduling agents: <ul style="list-style-type: none"> • Tidal 3.0, 5.x, 6.x (standard); • OpCon XPS 3.31.x, 4.x (standard); • BL/Sched 5.x (standard); • GECS 3.6, 4.0 (standard); • HAPS 1.7 (standard); • CA Auto Sys 4.5.x, r11 (standard); • Zeke 5.3.x, 6.0 (standard); • UC4 5.0, 6.0, 8.0 (standard). 	X			The MAGI Eligibility Service can leverage the LINUX/UNIX job scheduling agents.
1009.7	End-user software applications, or components thereof, must not require privileged, super-user or administrator mode in order to function properly.	X			The contractor will use SOM-approved appropriate user roles to control privileges and system component access.



Req. No.	Requirement	Yes	Yes w/ mods	No	Contractor Comments
1009.8	The system must provide some form of remote connectivity which allows vendor acceptable bandwidth and access to facilitate remote diagnostics, monitoring and upgrading of the system. The form will be one that is acceptable to SOM and agreed to by SOM and the vendor.	X			The MAGI Eligibility Service provides secure, remote connectivity.
1009.9	The application server must support the following Server Operating Systems (OS): <ul style="list-style-type: none"> • Linux Red Hat Enterprise Server 5.x (standard); • Linux Suse Enterprise 10.x (standard); • Microsoft Windows 2008 (standard); • Unix HPUX 11i v3 (standard); • Unix Sun Solaris 10.x (standard); • VMware vSphere 5 (standard). 	X			The Red Hat JBoss EAP application server meets this requirement.
1010. Database Server- <i>If the solution includes a database server the following requirements apply:</i>					
1010.1	The database application software must support current multiple operating systems including Windows Server, Linux, and either Solaris or HP-UX per the State of Michigan EA Road map. Components of this architecture may run as appliance devices as required.	X			MySQL meets this requirement.
1010.2	The database tier will be certified for use with the VMware x86 based virtualization platform.	X			MySQL meets this requirement.
1010.3	The application must use the following database management systems (DBMS) and version: <ul style="list-style-type: none"> • MSSQL Server 2005 (standard) • MySQL 5.0 & 5.1 (standard) • Oracle 11g (standard) • Teradata A28V2R6.2 (standard). 	X			The MAGI Eligibility Solution uses the MySQL 5.1.
1010.4	The database server will support horizontal scaling by partitioning of tables and clustering of server instances.	X			The contractor's implementation of MySQL supports horizontal scaling.
1010.5	The database server must support log shipping to a separate log server. The State of Michigan should have near real time access to all log files.	X			



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1010.6	The database server will support replication and mirroring across multiple servers.	X			The contractor's SaaS offering includes hot/hot mirroring in the primary datacenter, in addition to a hot backup in Philadelphia.
1010.7	The database server shall support flashback capabilities for database, table, etc. for rapid recovery.	X			The contractor's implementation of MySQL supports vertical scaling.
1010.8	The database server must support vertical scaling by the addition of additional CPUs, CPU Cores, and RAM memory.	X			
1010.9	The database server will support data compression.	X			
1010.10	The database server shall support table and index partitioning across multiple server instances.	X			
1010.11	The database server shall support parallel indexing operations.	X			
1010.12	The database server will support manual tuning and configuration.	X			
1010.13	The database server will support automatic tuning and configuration.	X			
1010.14	The database tier must support a shared connection with connection pooling.	X			
1010.15	The database will support single-record recovery processes.	X			
1010.16	The database must support transactions and support transaction rollback.	X			
1010.17	The database must support encryption at the database table/column level.	X			
1010.18	The database must restrict access to data through the use of views, queries, roles and groups.	X			
1010.19	The database will provide data archival functionality.	X			
1010.20	The database will support assured record destruction by secure and permanent record deletion.	X			
1010.21	The database must be able to operate in an n-tier server architecture.	X			



Req. No.	Requirement	Yes	Yes w/ mods	No	Contractor Comments
1010.22	The database structure will be extensible, allowing the addition of new tables, new columns and new objects.	X			
1010.23	The database must support pessimistic and optimistic record-locking strategies.	X			
1010.24	The database will support table and row level locking during read/write operations.	X			
1010.25	The database server shall support heterogeneous cross-DBMS and distributed transactions.	X			
1010.26	The database transaction strategies must be configurable, allowing growth, shrinkage and backup-recovery.	X			
1010.27	The database will not require components that are not part of the default database licensing model for supporting any functionality.	X			
1010.28	The database will allow full text indexing and search.	X			
1010.29	The database will provide support for spatial data.	X			MySQL does support spatial data, but the contractor is not aware of the need for spatial data in the MAGI Eligibility Service.
1010.30	The database will provide support for XML data.	X			
1010.31	The database server must support the following application development frameworks: (see section 1004.3- Product Development).	X			
1010.32	The database server must support auditing and logging for DML events (insert, update, delete). State of Michigan should have near real time access to all log files.	X			The contractor will work with SOM to determine the most effective method options for access to the log files.
1010.33	The database server must support auditing and logging for DCL events (grant, revoke, deny). State of Michigan should have near real time access to all log files.	X			The contractor will work with SOM to determine the most effective method options for access to the log files.
1010.34	The reporting product technology must be compatible with n-Tier architecture (client-server & web).	X			
1010.35	The database must not require users to have elevated database privileges/accounts for normal operation.	X			The database will be implemented and access designed to leverage business relevant named roles for controlling access and privileges.



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1010.36	The database server will support licensing per CPU core.	X			MySQL supports CPU/Socket licensing.
1010.37	The database server will support licensing per CPU socket.	X			MySQL supports CPU/Socket licensing.
1010.38	The database server will be open source requiring minimal support costs. The database server will not exist within the SOM enterprise and will be solely hosted and supported within the Contractor remote solution.	X			
1010.39	Audit records must contain: date and time of the event, subject identity, type of event, how data changed, where the event occurred, and the outcome of the event.	X			All audit records will contain the requested information.
1011. Web Server					
1011.1	The Web server will support the following Operating Systems (OS): • (see requirement 1009.9).	X			The MAGI Eligibility Service uses the Apache 2.4.4 web server, which meets this requirement.
1011.2	The Web Server components will operate the same without regard to the hosting platform or OS.	X			The MAGI Eligibility Service uses the Apache 2.4.4 web server, which meets this requirement.
1011.3	The Web Server component updates will occur at the same time without regard to the hosting platform or OS.	X			The MAGI Eligibility Service uses the Apache 2.4.4 web server, which meets this requirement.
1011.4	The web server for this application will be: • MS IIS 2003, 2008 (standard); • Apache 2.2.x (standard); • IBM IHS 6.1, 7.0 (standard); • IBM WebSphere 6.1, 7.0 (standard); • JBoss 5.x (standard).	X			The MAGI Eligibility Service uses the Apache 2.4.4 web server, which meets this requirement.
1011.5	The application will be capable of sharing a web server with multiple applications.	X			The MAGI Eligibility Service uses the Apache 2.4.4 web server, which meets this requirement.
1011.6	The Web Server will support horizontal scaling.	X			The MAGI Eligibility Service uses the Apache 2.4.4 web server, which meets this requirement.
1011.7	The Web Server will support vertical scaling.	X			The MAGI Eligibility Service uses the Apache 2.4.4 web server, which meets this requirement.
1011.8	The application tier will be certified for use with the VMware x86 based virtualization platform.	X			



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1011.9	The application will support clustering and/or load balancing across several servers.	X			The MAGI Eligibility Service is designed to support n-tier deployment and leveraging load balancing and/or clustering across multiple application servers.
1011.10	The reporting product technology will be compatible with n-Tier architecture (client-server & web).	X			
1011.11	The application will support rendering through the following portal implementations: <ul style="list-style-type: none"> • IBM Web Content Management 6.x (standard); • IBM WebSphere Portal 6.x (standard). 	X			
1012. Solution Architecture					
1012.1	The application's minimum technology requirements, including Operating System (OS) versions, vendor versions, and release level of each product, will be provided.	X			The contractor provided a listing of the MAGI Eligibility Service technology requirements in the contractor's response to Article 1.
1012.2	A detailed network/server diagram must be provided illustrating the relative architecture of the proposed system. It must include: <ul style="list-style-type: none"> • Network security zones and firewalls; • Server types and network components (e.g., switches); • Ports and protocols used to cross security zones; • How users will access the system; • Clustering of servers. 	X			The contractor will provide a detailed network/server diagram that meets or exceeds this requirement. The contractor provided a high level diagram in the contractor's response to Article 1.
1012.3	The solution/application must utilize the features and capabilities of the SOM enterprise data storage services for the following data storage needs: <ul style="list-style-type: none"> • Storage Area Network (SAN); • Network Attached Storage (NAS); • Content Addressable Storage (CAS). 	X			The MAGI Eligibility Service SaaS infrastructure deployment strategy utilizes the lists enterprise data storage services.
1012.4	The solution/application must support installation and operation in one or more disparate hosting centers. Fail-over from one hosting center to another must be possible without exceeding parameters specified in the Service Level Agreement (SLA).	X			The contractor engineered an infrastructure model that features hot/hot redundancy within the primary data center (Phoenix), as well as hot redundancy in a different data center (Philadelphia) to minimize impact of a



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
					geographical catastrophe or disaster.
1012.5	A Service Level Agreement (SLA) must be in effect for the solution/system specifying, at a minimum, the following: <ul style="list-style-type: none"> • Criticality Level (Critical, High, and Medium); • Recovery Point Objective (time in hours); • Recovery Time Objective (time in hours). 	X			The contractor will work closely with the SOM leadership to establish the appropriate SLA criteria for each component of the solution.
1012.6	The solution/application will support distributed deployment of application components and database tier components (n-Tier architecture).	X			The MAGI Eligibility Service is designed to support n-tier deployment and leveraging load balancing and/or clustering across multiple application servers. The contractor's SaaS deployment platform leverages redundant hot/hot servers in the primary data center, as well as a clustered database server environment.
1012.7	The solution/application must have an approved Enterprise Architecture (EA) Solution Assessment, prior to production.	X			The contractor will work with the SOM Enterprise Architects to verify the configuration during contract negotiations or immediately upon project commencement.
1012.8	Provide a technology roadmap for the proposed system showing a five (5) year plan for migrating to new software versions and when to de-implement dated versions as they reach end of life.	X			
1012.9	Provide conceptual and logical application data-flow models.	X			Our Functional team will refine the conceptual and logical data flows during the design activities of the project.
1012.10	Provide a logical network diagram that describes how the infrastructure components will meet the functional requirements.	X			
1012.11	Provide a technology roadmap for the proposed system showing a five (5) year plan for new software version releases, support window, and sun setting.	X			
1012.12	Provide a high-level architecture diagram, including logical and physical components.	X			



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1012.13	Systems operating on an application server must interoperate with CA Unicenter monitoring agents.	X			The MAGI Eligibility Service is compatible with the CA Unicenter monitoring agents, but will be leveraging the CGI Federal Cloud monitoring tools.
1012.14	Systems operating on an application server must interoperate with Veritas Backup and Recovery agents.	X			The MAGI Eligibility Service is compatible with the Veritas Backup and Recovery agents, but will be leveraging the CGI Cloud backup and recovery tools and processes. These tools and processes will meet or exceed the Veritas Backup and Recovery capabilities.
1012.15	The reporting product technology will be compatible with n-Tier architecture (client-server & web).	X			
1013. Solution Integration					
1013.1	System integration will support the following method(s): <ul style="list-style-type: none"> • API; • Web Services; • SOAP; • ODBC; • JDBC; • REST; • Plug-Ins. 	X			The open, n-tier architecture supports all industry standard integration methods.
1013.2	An Enterprise Application Integration (EAI) solution must be provided to the following services: <ul style="list-style-type: none"> • MQ Series (standard); • WebSphere (standard); • Message Broker (standard); • JMS. 	X			The s MAGI Eligibility Service utilizes the Red Hat JBoss ESB 4.11 enterprise service bus, that provider interoperability and integration with the listed services.
1013.3	An Application Programming Interface (API) will be supplied and supported for the following technologies: <ul style="list-style-type: none"> • Java (standard); • .NET (standard). 	X			The MAGI Eligibility Service provides JPA APIs, which can be utilized by java and .net technologies.



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1013.4	Bidder must provide pre-defined connector(s) to the following industry standard data source(s): <ul style="list-style-type: none"> • Oracle; • PeopleSoft; • Microsoft; • SAP; • Active Directory; • Standard LDAP; • IBM Tivoli security products. 	X			The SMAGI Eligibility Service integration connector is technology and vendor agnostic and supports all open architecture technologies.
1013.5	Provide a method to import data from proprietary sources.	X			The MAGI Eligibility Service supports multiple secure data transfer mechanisms, including SFTP.
1013.5 1	System integration will support integration to DTMB services such as SQL server reporting services (SSRS) and SQL Server Integration Services (SSIS).	X			The MAGI Eligibility Service supports integration with other open architecture components across the DTMB enterprise.
1013.6	Connectivity to the following relational database(s) must be provided and supported: <ul style="list-style-type: none"> • (see section 1011.5). 	X			
1013.7	The solution must be able to import and export data to and from the following external source(s): <ul style="list-style-type: none"> • Current Standard versions of Microsoft Office. 	X			
1013.8	The ability to export data in the following output formats must be available: <ul style="list-style-type: none"> • EDI; • HTML; • XML; • Text file; • CSV; • Delimited, configurable. 	X			
1013.9	The reporting product technology must be compatible with n-Tier architecture (client-server & web).	X			
1014. System Administration and Licensing					



Req. No.	Requirement	Yes	Yes w/ mods	No	Contractor Comments
1014.1	Software licensing will be inclusive for all packages included in the solution, unless explicitly listed and detailed.	X			The contractor's SaaS pricing includes all 3rd party licenses for the software stack.
1014.2	Application/System documentation will provide access to FAQ and/or Support Information for frequent issues that administrative staff may encounter.	X			
1014.3	Documentation will indicate recommended staffing requirements to administer and support the system.	X			
1014.4	The Contractor's hosted solution includes backup/recovery information relevant to the CGI Federal Cloud hosting service.	X			
1014.5	A system maintenance window will be designed in the application which will allow the system to be taken off-line for updates, upgrades and maintenance.	X			The contractor will work with the SOM to identify the appropriate maintenance window that aligns with the multiple MAGI Eligibility Service stakeholders, minimizing the impact to the beneficiaries of the programs.
1014.6	Documentation describing how to take the system off-line for maintenance, updates and upgrades will be provided.	X			
1014.7	Documentation will describe the level of effort and anticipated downtime for product upgrade installation.	X			
1014.8	Documentation will provide the anticipated frequency and requirements of patches (releases, break-fix, 0-day), minor, and major releases.	X			
1014.9	Documentation will provide information on certification/compatibility with OS patches, Service Pack, and upgrade paths.	X			
1014.10	Documentation will address upgrade paths and procedures for each component/tier.	X			
1014.11	Provide a complete configuration and set-up documentation library.	X			
1014.12	System documentation will clearly describe any special requirements (such as middleware, Operating System (OS), hardware, etc.) that could affect the capabilities or performance of the system.	X			



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1014.13	System documentation will clearly describe all critical factors in sizing or configuring the application (e.g., number of concurrent users, specific transaction volumes, number of products, number of layers in the product hierarchy, etc.).	X			The contractor will use the metrics provided by the SOM in the RFP, particularly the estimated 2.5 million active beneficiaries and the projection that each beneficiary transaction could result in up to 80 independent XML based transactions.
1015. System Performance					
1015.1	The application will provide performance-optimization capabilities.	X			
1015.2	The application will have the capability to handle large-volume batch processing via multi-threading.	X			
1015.3	The application will maintain optimum performance over both Wide Area Networks (WAN) and Local Area Networks (LAN).	X			
1015.4	The application will maintain optimum performance over Local Area Networks (LAN).	X			The solution is architected to optimize the utilization of all infrastructure resources, including network communications.
1015.5	System documentation will clearly describe all versions of the package that are deployed for different scaling situations.	X			
1015.6	System documentation will clearly describe any special requirements (such as middleware, Operating System (OS), hardware, etc.) that could affect the capabilities or performance of the system.	X			
1015.7	The contractor's hosted solution will leverage CGI Federal Cloud monitoring tools for capacity and performance monitoring.	X			
1015.8	System documentation will clearly describe what support will be provided to the State for performance optimization activities.	X			
1015.9	System documentation will clearly describe the type of caching, if any, the system employs.	X			



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1015.11	System documentation will clearly describe all activities that affect optimum performance such as service recycling, rebooting, or batch jobs and their frequency.	X			
1015.12	The system must meet performance benchmark times for: <ul style="list-style-type: none"> • Page refresh in under three seconds • Database query execution in under two seconds. 	X			
1016. Application Configuration Management – (PCI-DSS)					
1016.1	All known security vulnerabilities must be addressed in accordance with industry-accepted system hardening standards. Industry-accepted standards include: <ul style="list-style-type: none"> • SysAdmin Audit Network Security (SANS); • National Institute of Standards Technology (NIST); • Center for Internet Security (CIS). 				Center for Internet Security (CIS) benchmarks are used as hardening guides, and are a part of the baseline configurations. The CGI Government Cloud adheres to NIST SP 800 Computer Security standards. The CGI SaaS Cloud Data Center maintains a site specific security awareness and training policy, providing SANS-equivalent knowledge and best practices. A CGI-wide security awareness and training program has been implemented to maintain that employees and contractor personnel are aware of their security responsibilities and how to fulfill them.
1016.2	Only one primary function can be implemented per server (i.e. web, database, domain, etc.).	X			The MAGI Eligibility Service has logical and physical separation of the presentation tier (e.g., web server), application tier (app server) and data tier (database), residing in separate VMs.
1016.3	All unnecessary and unsecure services and protocols (those not directly needed to perform the device's specified function) are disabled.	X			
1016.4	System security parameters must be configured to prevent misuse (see 1017.1 for guidance).	X			



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1016.5	All unnecessary functionality is removed, such as: <ul style="list-style-type: none"> • Scripts; • Drivers; • Features; • Subsystems; • File Systems; • Unnecessary Web Servers. 	X			The contractor will remove all unnecessary functionality such as: <ul style="list-style-type: none"> • Scripts; • Drivers; • Features; • Subsystems; • File Systems; • Unnecessary Web Servers.
1016.6	System changes are monitored and security impact analyses are performed to determine the effects of the changes.	X			The contractor's Change Management processes include a thorough impact analysis for all system changes. This analysis includes impact to infrastructure and security controls.
1017. Application Development Management – (PCI-DSS)					
1017.1	Software applications must be developed in accordance with PCI DSS (for example, secure authentication and logging) and based on industry best practices. Information security must be incorporated throughout the Systems Development Life Cycle (SDLC). The State of Michigan will have near real time access to all log files.	X			The contractor will develop software applications in accordance with PCI DSS (for example, secure authentication and logging) and based on industry best practices. The contractor will incorporate Information security throughout the Systems Development Life Cycle (SDLC). The contractor will provide the State of Michigan with near real time access to all log files.
1017.2	All security patches and system and software configuration changes must be tested before deployment, including but not limited to: <ul style="list-style-type: none"> • All input must be validated to prevent such things as cross-site scripting, injection flaws and malicious file execution; • Proper error handling must be incorporated into the software; • Data at rest must use secure cryptographic storage; • Data in motion must use secure communications; • Role-based access control (RBAC) must be used to control and audit user actions. 	X			The contractor will use standard, progressive testing processes for all system modifications made. This testing includes all aspects of the system, including business functionality, infrastructure, application access security and data security.



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1017.3	There must be separate development, test and production environments.	X			The MAGI Eligibility Service includes separate development, test and production environments.
1017.4	There must be separation of duties between development, test and production environments.	X			Each of the contractor's environments has clear and distinct purpose, software configuration deployments, database and access security.
1017.5	Production data are not used for testing or development purposes.	X			
1017.6	All test data and accounts must be removed before production systems become active.	X			The contractor will only use test data and accounts in production when absolutely necessary and clearly documented. The contractor will endeavor to not leave any testing traces or footprint in the production environment after the validation of system modifications.
1017.7	All custom and developer accounts, user IDs, and passwords must be removed before applications become active or are released to agencies.	X			
1017.8	A code review must be performed of custom code prior to release to production or agencies, in order to identify any potential coding vulnerabilities.	X			The contractor's development process includes peer code reviews. SOM staff will be included in code reviews.
1017.9	All web applications (internal, external, and web administrative access to applications) must be developed based on secure coding guidelines such as the <i>Open Web Application Security Project Guide</i> . http://www.owasp.org	X			The contractor's browser-based user interfaces will utilize secure coding designs such as the <i>Open Web Application Security Project Guide</i> .



Req. No.	Requirement	Yes	Yes w/ mods	No	Contractor Comments
1017.10	Prevention of common coding vulnerabilities must be covered in software development processes, including: <ul style="list-style-type: none"> • Cross-side scripting (XSS); • Injection flaws, particularly SQL injection. (Also consider LDAP and XPath injection flaws); • Malicious file execution; • Unsecure direct object references; • Cross-site request forgery (CSRF); • Information leakage and improper error handling; • Broken authentication and session management; • Unsecure cryptographic storage; • Unsecure communications; • Failure to restrict URL access. 	X			The contractor's software development standards include mitigation of common vulnerabilities.
1018. Application Password Management - (PCI-DSS)					
1018.1	Only DTMB approved personnel may add, delete, or modify user IDs, credentials, and other identifier objects on systems containing PCI data.	X			The MAGI Eligibility Service will not contain PCI data. The contractor will work with DTMB to develop the appropriate credential management processes for the MAGI Eligibility Solution.
1018.2	A user's identity must be verified before performing a password reset.	X			The MAGI Eligibility Service will not contain PCI data. The contractor will work with DTMB to develop the appropriate credential management processes for the MAGI Eligibility Solution.
1018.3	First-time passwords must be set to a unique value for each user and each user must change this initial password immediately upon first use.	X			The MAGI Eligibility Service will not contain PCI data. The contractor will work with DTMB to develop the appropriate credential management processes.
1018.4	Access rights for any terminated user must be immediately revoked.	X			The MAGI Eligibility Service will not contain PCI data. The contractor will work with DTMB to develop the appropriate credential management processes.
1018.5	Inactive user accounts must be removed or disabled at least every 90 days.	X			The MAGI Eligibility Service will not contain PCI data. The contractor will work with DTMB to develop the appropriate credential management processes.



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1018.6	All accounts used by vendors for remote maintenance must be enabled only during the time period needed and remain disabled otherwise.	X			The MAGI Eligibility Service will not contain PCI data. The contractor will work with DTMB to develop the appropriate credential management processes.
1018.7	Password procedures and policies must be communicated to all users who have access to cardholder data.	X			The MAGI Eligibility Service will not contain PCI data. The contractor will work with DTMB to develop the appropriate credential management processes.
1018.8	Group, shared, or generic accounts and passwords are prohibited.	X			The MAGI Eligibility Service will not contain PCI data. The contractor will work with DTMB to develop the appropriate credential management processes.
1018.9	User passwords must follow the M1 standards or specific system requirements, whichever are more restrictive.	X			The MAGI Eligibility Service will not contain PCI data. The contractor will work with DTMB to develop the appropriate credential management processes.
1018.10	All password lengths must follow the M1 standards or specific system requirements, whichever are more restrictive.	X			The MAGI Eligibility Service will not contain PCI data. The contractor will work with DTMB to develop the appropriate credential management processes.
1018.11	All passwords complexity must follow the M1 standards or specific system requirements, whichever are more restrictive.	X			The MAGI Eligibility Service will not contain PCI data. The contractor will work with DTMB to develop the appropriate credential management processes.
1018.12	All password history must follow the M1 standards or specific system requirements, whichever are more restrictive.	X			The MAGI Eligibility Service will not contain PCI data. The contractor will work with DTMB to develop the appropriate credential management processes.
1018.13	Password lock out rules must follow the M1 standards or specific system requirements, whichever are more restrictive.	X			The MAGI Eligibility Service will not contain PCI data. The contractor will work with DTMB to develop the appropriate credential management processes.



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1018.14	The user lockout duration must follow the M1 standards or specific system requirements, whichever are more restrictive.	X			The MAGI Eligibility Service will not contain PCI data. The contractor will work with DTMB to develop the appropriate credential management processes.
1018.15	Idle/inactive Session locking must follow the M1 standards or specific system requirements, whichever are more restrictive.	X			The MAGI Eligibility Service will not contain PCI data. The contractor will work with DTMB to develop the appropriate credential management processes.
1018.16	All access to any database containing cardholder data must be authenticated (this includes access by applications, administrators, and all other users).	X			The MAGI Eligibility Service will not contain PCI data. The contractor will work with DTMB to develop the appropriate credential management processes.
1018.17	A password cannot at any time be the same as a user ID.	X			The MAGI Eligibility Service will not contain PCI data. The contractor will work with DTMB to develop the appropriate credential management processes.
1019. COTS Software					
1019.1	The MAGI Eligibility Service is offered to the State of Michigan as a hosted Software as a Service (SaaS) model. All embedded third-party software is fully licensed and under warranty to the Contractor. The contractor will discuss other deployment options with the State of Michigan as requested, including this requirement.	X			
1019.2	COTS software which handles credit card data or transactions must be certified to be Payment Card Industry - Data Security Standard (PCI-DSS) and PCI Payment Application - Data Security Standard (PA-DSS) compliant. Certification must be provided upon request.				Not Applicable
1019.3	COTS software must have maintenance and support available from the developer, vendor or an approved 3 rd party.	X			All COTS software included in the MAGI Eligibility Service will be current, supported versions and will be under a CGI active maintenance and support agreement.



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1019.4	COTS software providers must make available for inspection the End User License Agreement (EULA) prior to purchase or contract signing.	X			
1019.5	End User License Agreements (EULA) must be approved by DMB Purchasing or the DTMB Enterprise Project Management Office prior to purchase or contract signing.	X			
1019.6	COTS software not already listed on the Enterprise Architecture Roadmaps must have an approved EA Solution Assessment completed prior to use or implementation.	X			The contractor will work with the SOM Enterprise Architecture team to review all COTS software in our solution stack. The contractor has adopted industry standard, open architecture components. If any components are not on the Enterprise Architecture Roadmap, the contractor will comply with requirements stated by SOM Enterprise Architecture.
1020. Information Technology Network and Infrastructure					
1020.1	The information technology network and infrastructure must conform to SOM Policy 1345.00 regarding "Network and Infrastructure": SOM Technical Policies. http://www.michigan.gov/dmb/0,4568,7-150-56355_56579_56755---,00.html	X			
1020.2	The solution must contain values for projected capacity and special needs requirements covering all aspects of data transport & security across the information technology network and infrastructure.	X			The contractor's solution has been architected to meet the current and near-term future network and infrastructure requirements. The contractor's Federal Cloud based hosting environment provides the elasticity needed to respond to deviations from projections.
1020.3	The solution must address projected capacity requirements for all aspects of the information technology network and infrastructure.	X			The solution has been architected to meet the current and near-term future network and infrastructure requirements. The contractor's Federal Cloud based hosting environment provides the elasticity needed to respond to deviations from projections.



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1020.4	DELETED				
1020.5	The solution must conform to the SOM "DTMB State-wide management process for self-installed Managed Local Area Network (LAN) cabling": Managed LAN Cabling Standard. http://inside.michigan.gov/dtmb/wr/psp/Pages/IT_TechnicalStandards.aspx	X			
1021. Functional Requirements MAGI Medicaid Eligibility Determination Service					
1021.1	The Vendor's proposed solution includes a MAGI Medicaid / CHIP Eligibility Determination Service.		A		The MAGI Eligibility Service includes the policy rules to determine Medicaid eligibility based on MAGI definitions for income and family size. The MAGI Eligibility Service includes MAGI based eligibility rules for the Medicaid for Pregnant Women, Parents, Medicaid Children and CHIP. MAGI rules are also leveraged to determine eligibility for the expanded Medicaid category and the tax credits for the Health Insurance Exchange Program. MAGI policy rules are written in Microsoft Office and are easy to maintain and update. The Contractor will make minor configuration changes if required, to address MI State specific Medicaid requirements. Those can be performed by either Oracle Consulting or MI Staff.
1021.2	The proposed solution should be architected as a standalone service available on a service bus.		A		The MAGI Eligibility Service has been architected as a discrete service that can be deployed independently, or cohabitate in a shared application server environment.
1021.3	The proposed solution must retrieve data from external sources for the purposes of data validation.		A		The MAGI Eligibility Service supports making determination based on multiple data sources such as the CMS HUB, State sources as well as data collected from the constituent or the case worker during the application process. Integration options included web services and APIs.



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1021.4	<p>The proposed MAGI Medicaid / CHIP Eligibility Determination Service must record all information used to make the determination as well as the outcome of individual decisions, categories, groups and final determinations.</p> <p>The Contractor's solution shall produce an eligibility determination report in an XML format which can be stored, searched and transformed to select particular items or produce human readable reports at different levels of detail. The Contractor's solution shall load this determination report data into the Centralized Data Store so that it can be used to support the redetermination process.</p>	X			<p>For each and every eligibility determination the MAGI Eligibility Service automatically generates a decision report which highlights the policy rules and data that were used to make the determination. The decision report is easy to read and provides an explanation in natural language of how the determination was made, with references to the policy sections of the original legislation. The decision report is stored with the record for auditing purposes.</p>
1021.5	<p>The proposed MAGI Medicaid / CHIP Eligibility Determination Service must combine historical determination information with current enrollment information to create a single source of current enrollment information. This includes the creation and population of a service which contains current Non-MAGI and MAGI Medicaid enrollment information.</p>	X			<p>The MAGI Eligibility Service handles change of circumstance by accessing all current and historical data available to determine household member eligibility. If a determination requires past eligibility status (which was based on Non MAGI rules), the MAGI Eligibility Service will pass a request (web service or other) to obtain historical data in order to make the eligibility determination. In addition, the MAGI Eligibility Service includes MAGI and Non MAGI policy rules to assess eligibility for all Medicaid programs including Non MAGI categories such as the Aged, Blind Disabled, Long Term Care and Dual Medicaid.</p>
1021.6	<p>The proposed MAGI Medicaid / CHIP Eligibility Determination Service must accept determination requests from the Federal Data Hub, DCH and DHS systems.</p>	X			<p>The MAGI Eligibility Service includes integration points to the Federal Data Hub, DCH, and DHS systems. The solution can be configured to interface with any number of systems via services. The CGI team will leverage work performed in other States to configure the MI solution.</p>



Req. No.	Requirement	Yes	Yes w/ mods	No	Contractor Comments
1021.7	<p>The proposed MAGI Medicaid / CHIP Eligibility Determination Service must cyclically process the MAGI Medicaid enrollment population for automatic redetermination and produce the necessary data for beneficiaries requiring manual redetermination.</p> <p>The MAGI Eligibility Service shall perform mass re-determinations at regular intervals based on an event trigger. In Michigan, there is a monthly process for beneficiaries whose annual redetermination date falls within the redetermination month. An event trigger can either be a date/time based (e.g. annual enrollment) or based on a change of circumstance (e.g. marriage, child, etc.). The MAGI Eligibility Service shall include temporal reasoning capabilities which allow the service to make determinations retroactively based on a change of circumstance that is known after a period of time. Temporal Reasoning is a patented technology that allows the MAGI Eligibility Service to make retroactive determinations with minimal rule writing.</p>		A		<p>The MAGI Eligibility Service performs mass re-determinations at regular intervals based on an event trigger (change of circumstance). The MAGI Eligibility Service includes temporal reasoning capabilities which allow it to make determinations retroactively based on a change of circumstance that is known after a period of time. Temporal Reasoning is a patented technology that allows the MAGI Eligibility Service to make retroactive determinations with minimal rule writing.</p>
1021.8	<p>The MAGI Medicaid / CHIP Eligibility Determination Service must utilize decision rules which are maintained in a human readable format.</p>	X			<p>The MAGI Eligibility Service enables policy analysts to write rules in natural language using Microsoft Office. Policy rules maintain the same format as the original source legislation and thus are easy to maintain over time. The solution also includes easy to use testing and what if analysis tools that a business user can leverage.</p>
1021.9	<p>The proposed MAGI Medicaid / CHIP Eligibility Determination Service must have the ability to order the execution of individual decisions based on processing cost(s).</p>	X			<p>The MAGI Eligibility Determination Service will be configured to optimize performance by minimizing the number of data service requests required.</p>



Req. No.	Requirement	Yes	Yes w/mods	No	Contractor Comments
1021.10	The vendor has implemented a BRMS of similar size and scope for at least three customers.	X			The contractor has implemented the OPA BRMS at more than three customers of similar size and volume. More importantly, the contractor has implemented the OPA rules engine for a MAGI based eligibility service for the State of Oregon.
1021.11	The MAGI Medicaid / CHIP Eligibility Determination Service must have the ability to assign cost-sharing according to income level for the expansion population.		A		The MAGI Eligibility Service includes policy rules to determine the individual's monthly premium, co-pay and other cost sharing mechanisms for both employee and individual based insurance as well as for some Medicaid programs such as the Ticket to Work Program and CHIP.
1022. Functional Requirements SOM Hub Solution (DELETED / NA)					
1023. Technical Requirements SOM Hub Solution (DELETED / NA)					



Attachment B – Resume Template (Deleted/NA)



Attachment C – Enterprise Life Cycle Artifact

Since the SOM Hub Solution and the MAGI Eligibility Service are components of the overall State of Michigan solution, the State will be responsible for coordination and leading the CMS ELC Gate Reviews. The Contractor will provide support, including the provision of solution specific documentation, as well as participate in the review with the State and their other contractors.

Establishment Review and Medicaid IT Review - IT Gate Review Artifact Mappings

This document is provided as an informational guide to the mapping of the documented artifacts which are required in support of the formal review stages of the Establishment Review Process and the Medicaid IT Process.

The Establishment Review Process and the Medicaid IT Review Process consists of formal reviews and less formal consults. Artifacts are submitted for both the reviews and consults in various stages of completeness. The column label ' Preliminary / Baseline / Update / Final' for the sections labeled **IT ELC Artifacts (Planning)**, **IT ELC Artifacts (Design)**, **IT ELC Artifacts (Implementation)**, and **IT ELC Artifacts (O&M)**, identifies the artifact status for each review.

This document is subject to change and update as the overall process progresses and evolves. Notification will be provided as each update is available.

IT ELC Artifacts (Planning)			
ARTIFACT	ARTIFACT DEFINITION	Provided to States / Required / Recommended Industry Best Practice; As Needed to Supplement PMP	Preliminary (P)/ Baseline (B)/ Update (U)/ Final (F)
ConOps	Conceptual functions and stakeholder interactions. The high level concepts covered in the ConOps are: Scope Definition Current System, Goals Objectives and Rationale for new or significantly modified system Scenarios Analysis Proposed System Analysis of Proposed System	Required	F
Architectural Diagrams (Supplement to ConOps)	Framework to identify the conceptual integration of the underlying business functionality, data, and infrastructure of the intended solution	Required	F
Business Process Models (Supplement to ConOps)	Pictorial representation of Exchange business processes and information flows, including sequence of events. This item is deemed as Recommended instead of Core as CMS will be sharing completed BPM with States to jump start the BPM process.	Required	F



Technical Architecture Diagrams (Supplement to ConOps)	Description of network, data storage, security, middleware, and server architecture	Required	F
Project Management Plan	Overall plan for project execution, monitoring, and control. A high level approach overview of the following topics are contained in the PMP: Assumptions/Constraints/Risks Project Scope Overall Project Management Approach Communication Management Risk Management Configuration Management Change Management Development Approach Quality Management Independent Verification and Management Requirements Management Record Management Security Training Plan	Required	F
Acquisition Strategy (Supplement to PMP)	Plan for resource acquisition and associated task orders	Required	F
Project Schedule (Supplement to PMP)	Project plan or schedule with activities and timeline associated with standing up the solution set	Required	B
Risk Management Plan-including Risk Mitigation Strategy (Supplement to PMP)	Identification and potential mitigation of any uncertain events that may impact project objectives	Required	F
Risk Register	Identification and potential mitigation of any uncertain events / risks that may impact project objectives	Required	B
Communications Plan (Supplement to PMP)	The methods and activities needed to ensure timely and appropriate collection, generation, dissemination, storage, and ultimate disposition of project information among the project team and stakeholders.	Vendor to provide as requested in order to supplement the PMP	F
Communication Matrix	Defines the details of the prescribed communication items for the project that will be utilized during the life of the project or provide a reference to where this information resides.	Required	B
Quality Management Plan and IV&V Reporting (Supplement to PMP)	Necessary information required to effectively manage quality during the life cycle of the project including independent verification and validation reporting.	Vendor to provide as requested in order to supplement the PMO	F



Change Management Plan (Supplement to PMP)	Defines the approach, administrative procedures, roles and responsibilities for submitting, evaluating, coordinating, approving or disapproving business and technical changes to baseline items.	Vendor to provide as requested in order to supplement the PMO	B
Configuration Management Plan (Supplement to PMP)	Establishes the technical and administrative direction and surveillance for the management of configuration items (i.e., software, hardware, and documentation) associated with the project that are to be placed under configuration control.	Vendor to provide as requested in order to supplement the PMO	B
Staff Management Plan (Supplement to PMP)	The processes and procedures used to staff the project.	Vendor to provide as requested in order to supplement the PMO	B
Financial Management Plan (Supplement to PMP)	Document the financial measurement baseline for the project and define how it will be tracked, define reporting for the financial health of the project, and the invoicing requirements and timelines for the project.	Vendor to provide as requested in order to supplement the PMO	F
Financial Status Report (Supplement to PMP)	Report to depict investment consumption on a periodically.	Required	B
Performance Measurement Plan (Supplement to PMP)	Identify and prioritize the performance measurement goals and objectives and standards for project processes (e.g., product functionality, regulatory compliance, project deliverables, project management performance, documentation, testing, etc.), and describe how they will be satisfied.	Vendor to provide as requested in order to supplement the PMO	B
Performance Measures (Supplement to PMP)	Key performance indicators of significant accomplishments or events	Required	U
Training Plan (Supplement to PMP)	Description of training effort to use and support the system, including initial and subsequent remedial training for business users and system support personnel	Vendor to provide as requested in order to supplement the PMO	P
Release Plan (Supplement to PMP)	Descriptions of the system functionality that will be developed and implemented in each release, and the rationale for each release	Required	P
Alternatives Analysis	Potential alternatives for project solution design and implementation, and associated conditions when an alternative may be more viable	Required	F



Cost Allocation Plan / Methodology	Plan to allocate system costs appropriately between Exchanges, Medicaid, CHIP, and other programs.	Required	F
MITA State Self Assessment / MITA Roadmap	Self assessment against MITA framework. Conducted at AR and 12 months after MITA 3.0 is released.	Required	U
Privacy Impact Assessment	Determines if Personally Identifiable Information (PII) is contained within a system, what kind of PII, what is done with that information, and how that information is protected	Required	P
System Security Plan (contained within four separate documents) 1.ACA System Security Plan Workbook 2. CMS TRA Catalog of Minimum Security Controls for States Supp Draft v 0 2 09012011 3.ACA System Security Plan Procedures 4.ACA System Security Plan Template	The plan describes security controls within the system that will protect the confidentiality, integrity, and availability (CIA) of the system and its information	Required	F
Information Security Risk Assessment	Identification of risks and possible mitigation associated with information security components and supporting infrastructure	Required	F
IRS Safeguards Procedures Report (SPR)	Describes how the state receives, processes and protects Federal Tax Information (FTI). A new SPR is required every 6 years or whenever significant changes occur.	Required	P
IT ELC Artifacts (Design)			
Project Schedule (Supplement to PMP)	Project plan or schedule with activities and timeline associated with standing up the solution set	Required	U
Risk Register	Identification and potential mitigation of any uncertain events / risks that may impact project objectives	Required	U



Communication Matrix	Defines the details of the prescribed communication items for the project that will be utilized during the life of the project or provide a reference to where this information resides.	Required	U
Change Management Plan (Supplement to PMP)	Defines the approach, administrative procedures, roles and responsibilities for submitting, evaluating, coordinating, approving or disapproving business and technical changes to baseline items.	Vendor to provide as requested in order to supplement the PMO	F
Configuration Management Plan (Supplement to PMP)	Establishes the technical and administrative direction and surveillance for the management of configuration items (i.e., software, hardware, and documentation) associated with the project that are to be placed under configuration control.	Vendor to provide as requested in order to supplement the PMO	F
Staff Management Plan (Supplement to PMP)	The processes and procedures used to staff the project.	Vendor to provide as requested in order to supplement the PMO	U
Financial Status Report (Supplement to PMP)	Report to depict investment consumption on a periodically.	Required	U
Performance Measurement Plan (Supplement to PMP)	Identify and prioritize the performance measurement goals and objectives and standards for project processes (e.g., product functionality, regulatory compliance, project deliverables, project management performance, documentation, testing, etc.), and describe how they will be satisfied.	Vendor to provide as requested in order to supplement the PMO	F
Performance Measures (Supplement to PMP)	Key performance indicators of significant accomplishments or events	Required	U
Training Plan (Supplement to PMP)	Description of training effort to use and support the system, including initial and subsequent remedial training for business users and system support personnel	Vendor to provide as requested in order to supplement the PMO	F
Release Plan (Supplement to PMP)	Descriptions of the system functionality that will be developed and implemented in each release, and the rationale for each release	Required	F
Privacy Impact Assessment	Determines if Personally Identifiable Information (PII) is contained within a system, what kind of PII, what is done with that information, and how that information is protected	Required	B



Business Requirements	Initial, traceable requirements for business and technical functionality to be delivered upon project completion	Required	F
Use Cases	A use case is a description of steps or actions between a user or "actor" and a software system which leads the user towards something useful. Can either complement or be derived in place of User Stories.	Required	F
User Stories	A user story is one or more sentences in the everyday or business language of the end user that captures what the user wants to achieve and are written by or for the customers of a software project. Can either complement or be derived in place of Use Cases.	Required	F
Business Rules	Business rules in human and machine readable format	Required	F
System Security Plan (contained within four separate documents) 1.ACA System Security Plan Workbook 2. CMS TRA Catalog of Minimum Security Controls for States Supp Draft v 0 2 09012011 3.ACA System Security Plan Procedures 4.ACA System Security Plan Template	The plan describes security controls within the system that will protect the confidentiality, integrity, and availability (CIA) of the system and its information	Required	B
Information Security Risk Assessment	Identification of risks and possible mitigation associated with information security components and supporting infrastructure	Required	B
Test Plan	Plan for testing activities, periods, test cases, mapping requirements to the specific tests, tracking and resolving issues, verification methods, test data needs, and version control	Required	B



System Design Document	Transformation of the requirements, user-oriented functional design, and data design into more technical specifications from which the system will be built	Required	F
Interface Control Document(s)	Description of the inputs and outputs of a single system/services, the interface between two systems/services, or the interface protocol between physical components	Required	F
Database Design Document	System context and the basic database design approach, including dependencies and interfaces with other databases and/or systems	Required	F
Logical Data Model (Supplement to Database Design Document)	Definition of common understanding of business data elements and inter-relations to form the basis for physical database design	Required	F
Physical Data Model (Supplement to Database Design Document)	Database entities/tables/views, attributes/columns/fields, and relationship between entities influenced by database performance, indexing, storage, and denormalization	Required	F
Data Management Plan	Strategy for managing data during and after project execution. Identifies data archiving/data retention plans	Required	F
Data Conversion Plan	Strategy, preparation, and specifications for converting data for system deployment to production and for use during execution	Required for Solutions Converting Data	F
Implementation Plan	Descriptions and procedures of how the Exchange solution will be installed, deployed, and transitioned into an operational system	Required	B
Contingency / Recovery Plan	Includes management policies and procedures to maintain or restore business and technical operations in the event of emergency, system failure, or disaster	Required	P
Manuals and Training Materials	Includes Training Materials, User manuals and O&M Manuals	Required	P
User Manuals (Supplement to Manuals and Training Materials)	Explanation of how to use the established product from a business function perspective	Required	P



O&M Manual (Supplement to Manuals and Training Materials)	Description of the business product operating in the production environment, and information necessary to effectively handle routine production processing, ongoing maintenance, performance monitoring, and identification of problems, issues, and/or change requirements	Required	P
Training Materials (Supplement to Manuals and Training Materials)	Documentation associated with the deployment and use of the Business Product, including instructor and student guides, audio-visual aids, and computer-based or other media	Required	P
Data Use/ Data Exchange/ Interconnection Security Agreements	Agreements between parties for the use of personal identifiable data, and to ensure secure data exchange Please note that this is a set of documents, not one all-encompassing document.	Required	P
Service Level Agreements (SLAs) / Memorandum of Understandings (MOUs)	SLAs and MOU agreements between parties who use or support the Exchange solution Please note that this is a set of documents, not one all-encompassing document.	Required	U
System of Record Notice	A System of Record is a group of any records under the control of a federal agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual. The federal government is required to inform the public of any collection of information about its citizens from which data are retrieved by a unique identifier	Recommended Industry Best Practice	P
IRS Safeguards Procedures Report (SPR)	Describes how the state receives, processes and protects Federal Tax Information (FTI). A new SPR is required every 6 years or whenever significant changes occur.	Required	U
IT ELC Artifacts (Implementation)			
Project Schedule (Supplement to PMP)	Project plan or schedule with activities and timeline associated with standing up the solution set	Required	U



Risk Management Plan-including Risk Mitigation Strategy (Supplement to PMP)	Identification and potential mitigation of any uncertain events that may impact project objectives	Required	
Risk Register	Identification and potential mitigation of any uncertain events / risks that may impact project objectives	Required	U
Communication Matrix	Defines the details of the prescribed communication items for the project that will be utilized during the life of the project or provide a reference to where this information resides.	Required	U
Staff Management Plan (Supplement to PMP)	The processes and procedures used to staff the project.	Required	U
Financial Status Report (Supplement to PMP)	Report to depict investment consumption on a periodically.	Required	F
Performance Measures (Supplement to PMP)	Key performance indicators of significant accomplishments or events	Required	F
Privacy Impact Assessment	Determines if Personally Identifiable Information (PII) is contained within a system, what kind of PII, what is done with that information, and how that information is protected	Required	F
System Security Plan (contained within four separate documents) 1.ACA System Security Plan Workbook 2. CMS TRA Catalog of Minimum Security Controls for States Supp Draft v 0 2 09012011 3.ACA System Security Plan Procedures 4.ACA System Security Plan Template	The plan describes security controls within the system that will protect the confidentiality, integrity, and availability (CIA) of the system and its information	Required	Approach only discussed in PMP
Information Security Risk Assessment	Identification of risks and possible mitigation associated with information security components and supporting infrastructure	Required	F
Test Plan	Plan for testing activities, periods, test cases, mapping requirements to the specific tests, tracking and resolving issues, verification methods, test data needs, and version control	Required	F



Implementation Plan	Descriptions and procedures of how the Exchange solution will be installed, deployed, and transitioned into an operational system	Required	F
Contingency / Recovery Plan	Includes management policies and procedures to maintain or restore business and technical operations in the event of emergency, system failure, or disaster	Required	F
Manuals and Training Materials	Includes Training Materials, User manuals and O&M Manuals	Required	F
User Manuals (Supplement to Manuals and Training Materials)	Explanation of how to use the established product from a business function perspective	Required	F
O&M Manual (Supplement to Manuals and Training Materials)	Description of the business product operating in the production environment, and information necessary to effectively handle routine production processing, ongoing maintenance, performance monitoring, and identification of problems, issues, and/or change requirements	Required	F
Training Materials (Supplement to Manuals and Training Materials)	Documentation associated with the deployment and use of the Business Product, including instructor and student guides, audio-visual aids, and computer-based or other media	Required	F
Data Use/ Data Exchange/ Interconnection Security Agreements	Agreements between parties for the use of personal identifiable data, and to ensure secure data exchange Please note that this is a set of documents, not one all-encompassing document.	Required	F
Test Reports	Test results obtained at the conclusion of test activities, including test performance and outcomes. Includes defect reports and system security test results	Required	F
Automated Code Review Results	Report with results from development code reviews that inspect for software security vulnerabilities	Required	F
Service Level Agreements (SLAs) / Memorandum of Understandings (MOUs)	SLAs and MOU agreements between parties who use or support the Exchange solution Please note that this is a set of documents, not one all-encompassing document.	Required	F



Plan of Action and Milestones (POA&M)	Required of federally owned systems. The POA&M includes specific action steps for mitigating Exchange system security weaknesses identified by a security assessment	Required	F
Authority to Operate (ATO)	A system obtains its ATO by virtue of performing System Certification and System Accreditation. System Certification is the comprehensive evaluation of the management, operational, and technical security controls implemented for an information system to ensure compliance with information security requirements	Required	F
System of Record Notice	A System of Record is a group of any records under the control of a federal agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual. The federal government is required to inform the public of any collection of information about its citizens from which data are retrieved by a unique identifier	Required	F
IRS Safeguards Procedures Report (SPR)	Describes how the state receives, processes and protects Federal Tax Information (FTI). A new SPR is required every 6 years or whenever significant changes occur.	Required	F
Ongoing Operations and Maintenance			
Project Schedule (Supplement to PMP)	Project plan or schedule with activities and timeline associated with standing up the solution set	Required	U
Risk Register	Identification and potential mitigation of any uncertain events / risks that may impact project objectives	Required	U
Communication Matrix	Defines the details of the prescribed communication items for the project that will be utilized during the life of the project or provide a reference to where this information resides.	Required	U
Staff Management Plan (Supplement to PMP)	The processes and procedures used to staff the project.	Vendor to provide as requested in order to supplement the PMO	U



Annual Operational Readiness Report	Results from monitoring the performance of the system/application during normal operations against original user requirements and any newly implemented requirements or changes	Required	U
<p>System Security Plan (contained within four separate documents)</p> <p>1.ACA System Security Plan Workbook</p> <p>2. CMS TRA Catalog of Minimum Security Controls for States Supp Draft v 0 2 09012011</p> <p>3.ACA System Security Plan Procedures</p> <p>4.ACA System Security Plan Template</p>	The plan describes security controls within the system that will protect the confidentiality, integrity, and availability (CIA) of the system and its information	Required	Approach only discussed in PMP
IRS Safeguards Procedures Report (SPR)	Describes how the state receives, processes and protects Federal Tax Information (FTI). A new SPR is required every 6 years or whenever significant changes occur.	Required	F



Attachment D – Contract Pricing

MAGI Eligibility Service

Table 1: Summary Cost Table for MAGI Eligibility Service

MAGI Eligibility – Contractor Provided Summary Costs	Cost (\$)	Comments
Hardware	<i>SaaS Solution</i>	
Software <i>(Table 2)</i>	\$1,034,110	
Work & Deliverable Costs <i>(Table 3)</i>	\$3,145,300	<ul style="list-style-type: none"> • Payment is contingent on all Work & Deliverables completed prior to 10/01/2013. • Any changes within the Work and Deliverables 10/01/2013 schedule must be mutually agreed upon in a written Change Order contract. • If a new schedule is agreed upon for specific sections, the associated costs will be defined in the Change Order and payment withheld based on the new Change Order schedule.
Operations	\$2,024,400	<ul style="list-style-type: none"> • This total cost is calculated from recurring amounts of \$72,300. • Per the proposed schedule, 28 monthly fee periods will be incurred in the 3-year base contract term. • Operational services will commence upon the “go-live” date, which is scheduled 10/1/2013. • The State is liable for the Operation Service fees commencing on 1/1/2014 if the solution has been implemented. • The warranty period starts 10/1/2013 and thus that final acceptance is tied to this date. Contractor has costs for support during the Q4 period, but has structured the pricing to start monthly billings Jan 2014, to align with the anticipated complete of Warranty.
Recurring Maintenance and Support Costs	\$603,120	<ul style="list-style-type: none"> • This total cost is calculated from recurring amounts of \$21,540. • Per the proposed schedule, 28 monthly fee periods will be incurred in the 3-year base contract term. • Maintenance and Support services will commence upon the “go-live” date, which is scheduled 10/1/2013. • The State is liable for the Recurring Maintenance and Support fees commencing on 1/1/2014 if the solution has been implemented.
Total Vendor Provided Solution Cost	\$6,806,930	
Other Optional Costs <i>(Table 4)</i>	\$5,670,000	<ul style="list-style-type: none"> • This budgetary item includes 35,000 staffing hours available for use at the option of the State of Michigan.
Total Vendor Provided Solution Cost with Optional Costs	\$ 12,476,930.00	



Table 2: Software Licensing Cost

Software Description	Manufacturer	License Type (perpetual, subscription)	License Basis (enterprise, users, CPU, etc.)	Number of Licenses Required	Total One-Time License Cost
Oracle Policy Automation - Enterprise ¹	Oracle	Perpetual	Enterprise Operating Budget	1	\$ 771,653
Oracle Policy Modeling - Application User Perpetual	Oracle	Perpetual	Users	5	155,137
JBOSS Enterprise SOA Platform with Management, Premium	RedHat	Subscription	Core	2 16-core licenses	47,059
ALMComplete Perpetual - Concurrent User License	SmartBear	Perpetual	Concurrent Users	6	10,588
LoadComplete - Design Seat - Floating License	SmartBear	Perpetual	Floating	3	3,526
LoadComplete - Load Controller - Node-Locked License w/ 10,000 Virtual Users	SmartBear	Perpetual	Virtual Users - 10k pack	1	42,706
SoapUI-Pro Named User Subscription License	SmartBear	Subscription	Named User	3	3,441
TOTAL SOFTWARE LICENSE COST :					\$ 1,034,110

Enterprise pricing for Oracle Policy Automation is based on combined LARA/DCH/DHS Operating budget and allows full use limited to the MAGI/CHIP project by LARA, DCH, and DHS.



Table 3: Work & Deliverable Costs

A	Detail Business Requirements	\$743,902.00
B	Hardware (Note this does not include actual hardware costs)	
C	Software (Note this does not include actual software costs which are included in table 2)	
D	Application Design	\$270,510.00
E	Application Development	\$175,832.00
F	Testing	\$162,306.00
G	Implementation	\$1,352,550.00
H	Training	\$172,900.00
I	Documentation	\$172,900.00
L	Knowledge Transfer/Transition	\$94,400.00
		\$3,145,300.00

The Contractor will invoice the State upon State acceptance of the deliverables within payment milestone.

Table 4: Other Optional Costs (Agency to add any additional services and software to be required)

Roles	Total # of hours	Not-to-Exceed Hourly Rate (\$)	Total cost (\$)
41. Project Management		\$250.00	
42. Technical Lead		\$240.00	
43. Business Analysts		\$120.00	
44. System Analysts		\$150.00	
45. Programmer/Developers		\$120.00	
46. System Administrators		\$110.00	
47. Database Administrators		\$150.00	
48. Q/A Manager		\$150.00	
49. Security Specialist		\$240.00	
50. Testers		\$110.00	
51. Technical Writers		\$80.00	
52. CM Specialists		\$110.00	
53. System Architects		\$240.00	
54. Network Engineer/Administrator		\$100.00	
55. Software Architects		\$170.00	
56. Project Assistants		\$60.00	
57. Web Developers		\$110.00	
58. Application Trainers		\$80.00	
Others: (List below)			
59. OPA Specialist		\$330.00	
60. Senior Consultant		\$320.00	

The non-weighted blended rate for the positions listed in Table 5 equates to \$162.00 per hour. This blended rate was multiplied by the 35,000 estimated hours to provide the \$5,670,000 amount that has been included in the summary cost table. This is not a commitment from the State for future Change Requests.

As outlined in Section 2.024, scope and price of potential Change Requests will be mutually agreed to by the State and Contractor, and the price of any such Change Requests will determined by the number of hours required by position and the associated position-specific rates.



Attachment E – Enterprise Architecture Solution Assessment (EASA) Worksheet

The Contractor will be required to work with the State to complete the EASO as part of the Contract.



Attachment F – Project Plan

The Contractor will provide their Project Plan as required in Section 1.300 of the Contract.



Attachment G – Clarified Requirements

In the event of any conflicts between this Attachment G and any other Attachment or Contract Article, Attachment G will prevail.

The Contractor will adhere to the statements in the following list. The contractor’s MAGI Eligibility Service will only communicate and interface with the SOM Data Hub. The SOM Data Hub will interface and aggregate the collection of data from the Federal Data Hub and all state backend-systems; such as Champs, Bridges, and MaxStar.

Clarification Item
1. The MAGI Eligibility Determination service will utilize the MAGI methodology established in the ACA to determine whether an individual qualifies for MAGI related Medicaid under one of the four new Medicaid categories or for CHIP.
2. The four new MAGI related Medicaid categories are: Adult, Parents/Caretakers, Pregnant Women and Children.
3. The MAGI Determination Service shall utilize the SOM Hub solution to provide connectivity to all required systems.
4. The MAGI rules engine will perform MAGI related eligibility determinations and may be required to utilize data from federal as well as State of Michigan trusted data sources in order to perform data validations.
5. The MAGI rules engine solution must be capable of performing asynchronous data enrichment requests, via the SOM Hub solution, to trusted data sources.
6. The MAGI Eligibility Determination service will provide each business partner with each determination, the data supplied by the applicant, data used for data validation and the outcome of the determination including the MAGI group, legacy category and TOA code. This is a federal requirement, and it serves to keep all related agency stakeholders informed and all related agency systems synchronized.
7. The MAGI Eligibility Determination Service will store all information used to make the determination as well as the validation information and the determination outcome in order to perform future year redeterminations and respond to current enrollment checks. In order to perform redeterminations in the first year, existing beneficiary information will need to be imported from the current Medicaid processing system and Medicaid enrollment system. <ul style="list-style-type: none"> a) The source systems for conversion are the existing Medicaid and CHIP enrollment and eligibility services b) The beneficiary information to be stored will include the information in the NIEM Account Transfer Schema as well as the validation information and determination information c) All beneficiary information needs to be included d) This data needs to be available at the time of the initial deployment
8. The Contractor is required to provide end user training for approximately 10 users on MAGI Eligibility Rule Creation, Maintenance and Regression Testing
9. The Service will generate the electronic file of printed materials. Existing State systems generating correspondence will take care of the physical mailing.
10. The electronic correspondence files will include but are not limited to requests for information which is are currently not available within existing State of Michigan systems as well as notices of determinations. This would be true of determinations as well as redeterminations. Final MAGI determinations are done by the Michigan MAGI Determination Service. The Determination Service evaluates eligibility utilizing business rules and compares their self attested data with trusted data sources in order to determine eligibility. <ul style="list-style-type: none"> 1) The message will be identical and will be tagged with information to enable the downstream systems to properly process the information send to them. Future eligibility determinations refers both to redeterminations and the ability to properly process repetitive applicant requests. 2) There is currently no specified data retention period. However, vendors are encouraged to provide solutions which include partitioning and archiving in order to meet the long term retention goals of the



solution.

11. The MAGI Eligibility Determination Service will supply a centralized data store for the purpose of responding to the Federal Data Hub current enrollment checks, supporting the administrative hearing process and will be utilized for redeterminations. Data in systems of record is operational data to be used by the system of record.

CGI will plan to complete the conversion activity to populate the Centralized Data Store during Phase 1 provided certain conditions can be met. Specifically, 1) the data conversion for the Centralized Data Store is limited to two data sources-- Bridges for Medicaid and MaxStar for CHIP; 2) the SOM or their respective vendor will supply CGI with data extracts for the conversion; 3) the data model to support the Centralized Data Store will include the data elements composed of the Account Transfer transaction and up to twelve additional data elements defined by SOM; and 4) the SOM will define the additional twelve data elements by the completion of the Requirements phase defined in the workplan. If these conditions cannot be met, then completion of the Centralized Data Store conversion could require a second phase whose completion would follow Phase 1.
12. The MAGI Eligibility Determination Service will generate the data for correspondence for use by the systems of record to perform the physical printed correspondence.
13. The MAGI Determination Service must assign an indicator identifying the income level of the applicant. For example, an indicator identifying that the applicant has income between 0%-100% of the federal poverty level and an indicator identifying whether the applicant has income of > 100%-133% of the federal poverty level. These ranges are illustrative examples only and do not reflect State law or policy.
14. The MAGI Eligibility Determination Service must support asynchronous requests to trusted data sources including the Federal Data Hub.
15. The MAGI Eligibility Determination Service must ensure reasonable compatibility between self attested data and trusted data sources before making a final determination.
16. Michigan supports a "No wrong door" policy which means that a person could apply for Medicaid or CHIP through various entryways such as the federal exchange, a State DHS office, the State's MIBridges system, or the State's MAXSTAR system. The State's system of record for Medicaid cases is the Bridges system. The State's system of record for CHIP cases is the MAXSTAR system. These systems will continue to be the systems of record for Medicaid and CHIP respectively.
17. Prior to the system go live date, the Contractor will have provided the State with the State standard turnover documents including a solution run book and technical support documentation. The State is expecting two sessions on infrastructure support training prior to go live: an initial turnover of materials and a second session in which the State may ask questions.
18. The Contractor may rely on the existing State of Michigan RSA Secure ID token based VPN in order to enable access to SOM hosted solution components for staff assigned to the project
19. Data at rest should be secured using OS or SAN based encryption is used for file based storage. Databases should use native database encryption.
20. Encryption algorithms and key strengths should follow AES 256 (preferred) or AES 128 (acceptable).
21. The Contractor will solely configure and/or implement the solution. State staff will not participate in the configuration or implementation, but will participate in the creation of the MAGI Eligibility rules.
22. The Contractor will provide system administration training for State personnel who will be responsible for ongoing maintenance and administration of the system, including security.
23. Contractor will utilize existing system development and deployment methodologies. However, the Contractor will be responsible for creating all State of Michigan SUITE artifacts and CMS Electronic Life Cycle artifacts listed in Attachment C at the direction of the PCO which will be assigned to this project.
24. The disparate levels of anticipated availability amongst the component solutions will be managed by queuing in the Hub Solution.



25. The State will be an FPE and all MAGI Eligibility Determinations will be done within the State of Michigan.
26. The State is requesting a MAGI Eligibility Determination Service which validates user data from trusted data sources and determines MAGI related eligibility for Medicaid and CHIP.
27. The Michigan Data Hub is the single point of contact between State of Michigan systems and the Federal Data Hub.
28. Determination results refer to the technical data used to make the determination, the outcome of each rule, data used to validate user data, the MAGI determination, the legacy category and the legacy Type of Assistance (TOA) code.
29. The current conceptual architecture requires determinations being simultaneously delivered to the DHS Bridges System, DCH Maxstar System and DCH Champs System simultaneously. This is to ease the routing requirements and minimize impact to these systems by allowing them to parse through the incoming determinations and utilize the data they need and thus precluding extensive system modifications.
30. Systems of record will be made available to supply the information needed to perform current enrollment checks and for redeterminations for determinations which were not done using the MAGI service. The Contractor is encouraged to propose a strategy to access this data from the historical systems and expose it when needed.
31. Capturing enrollment data into a managed care plan is not in scope for this RFP. The Contractor is encouraged to expose as much information as needed to respond to current enrollment checks from the Federal Data Hub, respond to administrative hearings and to perform redeterminations for MAGI related eligibility.
32. The State of Michigan will expose a web service to the Federal Data Hub. During the electronic data capture process the Federal Data Hub will utilize this service to determine if an applicant is already enrolled in Medicaid. If an applicant is already enrolled in Medicaid the applicant is routed to the State for Medicaid services.
33. The Contractor should assume that both aggregating and longitudinal reporting services are required but are yet undefined.
34. Proposed solutions must provide for independent unit and system testing and will be expected to participate in enterprise level integration testing and user acceptance testing as described and directed by the State of Michigan PCO Test Lead
35. Contractor shall implement a solution which scales up during open enrollment to handle all Michigan citizens utilizing the Federal Portal and existing determination systems during open enrollment.
36. The Contractor is expected to establish the Contractor specific Michigan portion of the overall UAT test environment. The Contractor will be expected to fully participate in UAT testing. The Project Control Office (PCO) will own the coordination of UAT testing across the various enterprise components of the solution.
37. The Contractor will be required to provide production like data volumes for data to be processed by their proposed solutions. PHI must be masked.
38. The Contractor shall propose a plan to respond to current enrollment checks and provide a data source to support administrative hearings and redeterminations.