



STATE OF MICHIGAN ENTERPRISE PROCUREMENT

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

CONTRACT CHANGE NOTICE

Change Notice Number **5**

to

Contract Number **MA071B6600022C**

CONTRACTOR	ID NETWORKS, INC
	7720 Jefferson Road
	Ashtabula OH 44004
	John Wheelock
	440-992-0062
	jwheelock@idnetworks.com
	CV0015594

STATE	Program Manager	Various	Various
	Contract Administrator	Nichole Harrell	DTMB
		517-449-9245	
		Harrelln@michigan.gov	

CONTRACT SUMMARY						
Live Scan						
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE			
January 26, 2016	January 25, 2021	5 - 12 Months	January 26, 2026			
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
MINIMUM DELIVERY REQUIREMENTS						
No Minimum Delivery Requirements.						
DESCRIPTION OF CHANGE NOTICE						
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE		
<input type="checkbox"/>		<input type="checkbox"/>				
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE				
\$1,982,994.00	\$0.00	\$1,982,994.00				

DESCRIPTION
<p>Effective March 10, 2025, the following changes are hereby incorporated into this agreement on behalf of the Michigan Department of Corrections:</p> <ol style="list-style-type: none">1. Article 3 - Federal Provisions Addendum (attached).2. Article 3 - Attachment A - Byrd Anti-Lobbying Certification (attached). <p>All other terms, conditions, specifications and pricing remain the same. Per Vendor and agency agreement and DTMB Central Procurement Services approval.</p>

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

AGENCY	NAME	PHONE	EMAIL
MSP	Michael Ransom	517-420-7156	ransomm@michigan.gov
DTMB	Jim Coggin	517-243-5265	CogginJ@michigan.gov
DTMB	Gordon Mayes	517-204-8026	MayesG1@michigan.gov
DNR	Mark Papineau	989-418-9434	PAPINEAUM@michigan.gov
DNR	Todd Thorn	517-284-4720	ThornT@michigan.gov

ARTICLE 3 - FEDERAL PROVISIONS ADDENDUM

This addendum applies to purchases that will be paid for in whole or in part with funds obtained from the federal government. The provisions below are required, and the language is not negotiable. Contractor agrees to comply with all obligations under federal rules or regulations for such funding, including but not limited to the provisions contained in this addendum. If any provision below conflicts with the State's terms and conditions, including any attachments, schedules, or exhibits to this Contract, the provisions below take priority to the extent a provision is required by federal law; otherwise, the order of precedence set forth in the Contract applies. Further, Contractor agrees to, through a Contract Change Notice, append or modify specific federal provisions to this Contract, if reasonably necessary to keep the State and Contractor in compliance with federal funding requirements, and comply with the terms set forth therein. Hyperlinks are provided for convenience only; broken hyperlinks will not relieve Contractor from compliance with the law.

A. Equal Employment Opportunity

This Contract is not a “**federally assisted construction contract**” as defined in [41 CFR Part 60-1.3](#).

B. Davis-Bacon Act (Prevailing Wage)

This Contract is not a “**federally assisted construction contract**” as defined in [41 CFR Part 60-1.3](#), nor is it a prime construction contract in excess of \$2,000.

C. Copeland “Anti-Kickback” Act

This Contract is not a “**federally assisted construction contract**” as defined in [41 CFR Part 60-1.3](#), nor is it a prime construction contract in excess of \$2,000 where the Davis-Bacon Act applies.

D. Contract Work Hours and Safety Standards Act

The Contract is **in excess of \$100,000** and **involves the employment of mechanics or laborers**, the Contractor must comply with [40 USC 3702](#) and [3704](#), as supplemented by Department of Labor regulations ([29 CFR Part 5](#)), as applicable, and during performance of this Contract the Contractor agrees as follows:

- (1) **Overtime requirements.** No Contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
- (2) **Violation; liability for unpaid wages; liquidated damages.** In the event of any violation of the clause set forth in paragraph (1) of this section the Contractor and any Subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such Contractor and

Subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of \$27 for each calendar day on which such individual was required or permitted to work in excess of the standard work week of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.

- (3) **Withholding for unpaid wages and liquidated damages.** The State shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Contractor or Subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.
- (4) **Subcontracts.** The Contractor or Subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1) through (4) of this section and also a clause requiring the Subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.
- (5) Further, for contracts that are only subject to Contract Work Hours and Safety Standards Act and are not subject to the other statutes in 29 C.F.R. § 5.1 where an additional contract provision is required, during performance of this Contract the Contractor agrees as follows:
 - (i) The contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid.
 - (ii) Records to be maintained under this provision shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the Department of Homeland Security, the Federal Emergency Management Agency, and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

- (6) These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

E. Rights to Inventions Made Under a Contract or Agreement

If this Contract is funded by a federal “funding agreement” as defined under [37 CFR §401.2 \(a\)](#) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with [37 CFR Part 401](#), “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

F. Clean Air Act and the Federal Water Pollution Control Act

If this Contract is **in excess of \$150,000**, the Contractor must comply with all applicable standards, orders, and regulations issued under the Clean Air Act ([42 USC 7401-7671q](#)) and the Federal Water Pollution Control Act ([33 USC 1251-1387](#)), and during performance of this Contract the Contractor agrees as follows:

(1) Clean Air Act

- (i) The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.
- (ii) The Contractor agrees to report each violation to the State and understands and agrees that the State will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency or the applicable federal awarding agency, and the appropriate Environmental Protection Agency Regional Office.
- (iii) The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA or the applicable federal awarding agency.

(2) Federal Water Pollution Control Act

- (i) The Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.
- (ii) The Contractor agrees to report each violation to the State and understands and agrees that the State will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency or the applicable federal awarding agency, and the appropriate Environmental Protection Agency Regional Office.
- (iii) The Contractor agrees to include these requirements in each subcontract

exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA or the applicable federal awarding agency.

G. Debarment and Suspension

A “contract award” (see [2 CFR 180.220](#)) must not be made to parties listed on the government-wide exclusions in the [System for Award Management](#) (SAM), in accordance with the OMB guidelines at [2 CFR 180](#) that implement [Executive Orders 12549 \(51 FR 6370; February 21, 1986\)](#) and [12689 \(54 FR 34131; August 18, 1989\)](#), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than [Executive Order 12549](#).

- (1) This Contract is a covered transaction for purposes of 2 C.F.R. Part 180 and 2 C.F.R. Part 3000. As such, the Contractor is required to verify that none of the Contractor’s principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).
- (2) The Contractor must comply with 2 C.F.R. Part 180, subpart C and 2 C.F.R. Part 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.
- (3) This certification is a material representation of fact relied upon by the State. If it is later determined that the contractor did not comply with 2 C.F.R. Part. 180, subpart C and 2 C.F.R. Part. 3000, subpart C, in addition to remedies available to the State, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.
- (4) The bidder or proposer agrees to comply with the requirements of 2 C.F.R. Part 180, subpart C and 2 C.F.R. Part 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

H. Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended)

Contractor has applied or bid for an award of **more than \$100,000** and shall file the required certification in *Exhibit 1 – Byrd Anti-Lobbying Certification* attached to the end of this Addendum. Each tier certifies to the tier above that it will not and has not used federally appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the federal awarding agency.

I. Procurement of Recovered Materials

If this Contract is a procurement to purchase products or items designated by the EPA under [40 C.F.R. part 247](#) during the course of a fiscal year, then under [2 CFR 200.323](#), Contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act.

- (1) In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired:
 - (i) Competitively within a timeframe providing for compliance with the contract performance schedule;
 - (ii) Meeting contract performance requirements; or
 - (iii) At a reasonable price.
- (2) Information about this requirement, along with the list of EPA- designated items, is available at EPA’s Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.
- (3) The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

J. Prohibition on Contracting for Covered Telecommunications Equipment or Services

Contractor acknowledges and agrees that [Section 889\(b\) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. No. 115-232 \(the “McCain Act”\)](#), and [2 C.F.R. §200.216](#), prohibit the obligation or expending of federal award funds on certain telecommunication products or with certain entities for national security reasons on or after August 13, 2020.

During performance of this Contract, the Contractor agrees as follows:

- (a) *Definitions.* As used in this Section J. Prohibition on Contracting for Covered Telecommunications Equipment or Services (“Section J”):
 - (1) the terms “backhaul,” “critical technology,” “interconnection arrangements,” “reasonable inquiry,” “roaming,” and “substantial or essential component” have the meanings defined in 48 CFR § 4.2101;
 - (2) the term “covered foreign country” has the meanings defined in § 889(f)(2) of the McCain Act; and
 - (3) the term “covered telecommunications equipment or services” has the meaning defined in § 889(f)(3) of the McCain Act.
- (b) *Prohibitions.*
 - (1) Unless an exception in paragraph (c) of this Section J applies, neither the Contractor nor any of its subcontractors may use funds received under this Contract to:

- (i) Procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system;
- (ii) Enter into, extend, or renew a contract to procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system;
- (iii) Enter into, extend, or renew a contract with an entity that uses any covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system; or
- (iv) Provide, as part of its performance of this contract, subcontract, or other contractual instrument, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.

(c) *Exceptions.*

- (1) This Section J does not prohibit Contractor from providing—
 - (i) A service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or
 - (ii) Telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(d) *Reporting requirement.*

- (1) In the event the Contractor identifies covered telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during contract performance, or the contractor is notified of such by a subcontractor at any tier or by any other source, the Contractor shall report the information in paragraph (d)(2) of this Section J to the recipient or subrecipient, unless elsewhere in this contract are established procedures for reporting the information.
- (2) The Contractor shall report the following information pursuant to paragraph (d)(1) of this Section J:
 - (i) Within one business day from the date of such identification or notification: The contract number; the order number(s), if applicable; supplier name; supplier unique entity identifier (if known); supplier Commercial and Government Entity (CAGE) code (if known); brand; model number (original equipment manufacturer number, manufacturer part

number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.

- (ii) Within 10 business days of submitting the information in paragraph (d)(2)(i) of this Section J: Any further available information about mitigation actions undertaken or recommended. In addition, the contractor shall describe the efforts it undertook to prevent use or submission of covered telecommunications equipment or services, and any additional efforts that will be incorporated to prevent future use or submission of covered telecommunications equipment or services.

- (e) *Subcontracts*. The Contractor shall insert the substance of this Section J, including this paragraph (e), in all subcontracts and other contractual instruments.

K. Domestic Preferences for Procurements

- (a) As appropriate, and to the extent consistent with law, the Contractor should, to the greatest extent practicable, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States. This includes, but is not limited to iron, aluminum, steel, cement, and other manufactured products.
- (b) For purposes of this Section K – Domestic Preferences for Procurements:
 - (1) *“Produced in the United States”* means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.
 - (2) *“Manufactured products”* mean items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.
- (c) Build America, Buy America Act (BABAA).

This Contract does not involve purchases for an infrastructure project that is subject to the domestic preference requirement in the Build America, Buy America Act.

L. Affirmative Socioeconomic Steps

For all contracts utilizing federal funding sources subject to Title 2 of the Code of Federal Regulations (C.F.R.) Part 200 issued on or after November 12, 2020, if subcontracts are to be let, the prime contractor is required to take all necessary steps identified in 2 C.F.R. § 200.321(b)(1)-(5) to ensure that small and minority businesses, women’s business enterprises, and labor surplus area firms are used when possible.

M. Copyright and Data Rights

Pursuant to 2 CFR § 200.315(b), the State may copyright any work which is subject to copyright and was developed, or for which ownership was acquired, under a Federal award. The Federal

awarding agency reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.

N. Additional FEMA Contract Provisions

This Contract does not involve purchases that will be paid for in whole or in part with funds obtained from the Federal Emergency Management Agency (FEMA).

O. Other Federal Contract Provisions

The following provisions also apply to purchases that will be paid for in whole or in part with funds obtained from the federal government:

(a) Publication Rights:

- (1) Where activities supported by this Agreement Produce books, films, or other such copyrighted materials issued by the Contractor, the Contractor may copyright such but shall acknowledge that the Department reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, and use such materials as well as to authorize others to reproduce and use such materials. This cannot include service recipient information or personal identification data.
- (2) Any copyrighted materials or modification bearing acknowledgment of the Department's name must be reviewed by the Department prior to reproduction and use of such materials.

(b) Audits:

- (1) The State, Department of Justice (DOJ), or other federal agencies may conduct or arrange for "agreed upon procedures" or additional audits to meet their needs or requirements of federal funding received.

(c) Record Maintenance/Retention:

- (1) Contractor must maintain adequate program and fiscal records and files, including source documentation. Assure that all terms of this Contract will be appropriately adhered to and that records and detailed documentation for the project or program identified in this contract will be maintained (may be off site) for a period of not less than four years from the date of the contract closure. All retention record guidelines set by the State must be adhered to if they require additional years beyond retention guidelines stated herein.

(d) Software Compliance:

- (1) The Contractor must ensure software compliance and compatibility with the State's data systems for services provided under this Contract including, but not limited to stored data, databases, and interfaces to produce work products, and reports. All required data under this agreement shall be provided in an accurate and timely manner without interruption, failure, or errors due to the inaccuracy of the Contractor's business operations for process date/time data.

(e) Notification of Criminal or Administrative Investigations/Charges:

- (1) If any employee of the Contractor associated with this grant funding becomes aware of a criminal or administrative investigation or charge that directly or indirectly involves the grant funds referenced in this contract, the Contractor shall immediately notify the State's Contract Manager in writing that such an investigation is ongoing or that a charge has been issued.

(f) Authorized Access:

- (1) Contractor must permit upon reasonable notification and at reasonable times, access by authorized representatives of the State, Program Evaluators (contracted by the State), Federal Grantor Agency (Michigan State Police), Comptroller General of the U.S. and State Auditor General, or any of their duly authorized representatives, to records, files and documentation related to this Contract, to the extent authorized by applicable state or federal law, rule, or regulation.

ARTICLE 3 – ATTACHMENT A -BYRD ANTI-LOBBYING CERTIFICATION

Contractor must complete this certification if the purchase will be paid for in whole or in part with funds obtained from the federal government and the purchase is greater than \$100,000.

APPENDIX A, 44 C.F.R. PART 18 – CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, Title 31, U.S. C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Contractor, ID Networks Inc., certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. Chap. 38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.

Signature of Contractor's Authorized Official

Name and Title of Contractor's Authorized Official

Date



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 **4**

to

Contract Number **MA071B6600022C**

CONTRACTOR	ID NETWORKS, INC
	7720 Jefferson Road
	Ashtabula OH 44004
	John Wheelock
	440-992-0062
	jwheelock@idnetworks.com
	CV0015594

STATE	Program Manager	Various	Various
	Contract Administrator	Nichole Harrell	DTMB
		517-449-9245	
		harrelln@michigan.gov	

CONTRACT SUMMARY

Live Scan

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
January 26, 2016	January 25, 2021	5 - 12 Months	January 26, 2026
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45			
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (PRC) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	12 Months	<input type="checkbox"/>		
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$1,982,994.00	\$0.00	\$1,982,994.00		

DESCRIPTION

Effective May 20, 2024, the following changes are hereby incorporated into this Contract:

1. The State add the items listed in the attached documentation utilizing existing contract funding.
2. The Contract Administrator is updated from Jarrod Barron to Nichole Harrell (Harrelln@michigan.gov/517-449-9245)

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

Program Managers
for
Multi-Agency and Statewide Contracts

AGENCY	NAME	PHONE	EMAIL
MSP	Michael Ransom	517-420-7156	RansomM@michigan.gov
DTMB	Jim Coggin	517-243-5265	CogginJ@michigan.gov

ATTACHMENT 1 – PRICING ADDITIONS

Contract No. 071B6600022

Item	Part #	Description	Qty	Unit Price	Extended Price
1	FR-GUARDIAN200	LSCAN GUARDIAN 200 10-Print Scanner Includes 1-Year Warranty	1	\$4,995.00	\$4,995.00
2	SUPPLYKIT-GUARDIAN	GUARDIAN 200 Supply Kit (5 silicone pads & 5 tape cleaner pads)	1	\$185.00	\$185.00
3	Maintenance	Annual Service Maintenance Fee for Guardian 200 Scanner	1	\$410.00	\$410.00
TOTAL					\$5,590.00



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 **3**
to
Contract Number **071B6600022**

CONTRACTOR	ID NETWORKS, INC	STATE	Program Manager	Various	MSP
	7720 Jefferson Road				
	Ashtabula, OH 44004				
	John Wheelock		Contract Administrator	Jarrod Barron	DTMB
	440-992-0062			(517) 249-0406	
	jwheelock@idnetworks.com			barronj1@michigan.gov	
	CV0015594				

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\$1,982,994.00	\$0.00	\$1,982,994.00		
DESCRIPTION				
Effective 04/20/2023, the State adds the items listed in the attached documentation utilizing existing contract funding. All other terms, conditions, specifications, and pricing remain the same. Per contractor, agency and DTMB Central Procurement Services approval.				

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

AGENCY	NAME	PHONE	EMAIL
MSP	Michael Ransom	517-420-7156	ransomm@michigan.gov
DTMB	Gordon Mayes	517-204-8026	mayesg1@michigan.gov



☒ Replacement System ☐ New System

QUOTE #: 22-0417-01 **BILL TO:** **SHIP TO:**

ID Networks, Inc. 7720 Jefferson Road Ashtabula, Ohio 44004 Phone 800-982-0751 Fax 440-992-1109 E-mail jwheelock@idnetworks.com Rep Name John Wheelock Web Site www.idnetworks.com	Company Contact Address Mike Ransom Michigan State Police 7150 Harris Drive P.O. Box 30634 Lansing, MI 48821 RansomM@michigan.gov Phone Fax Email Website	Company Contact Address Phone Fax E-mail Method
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Item	Part #	Description	Qty	Unit Price	Extended Price
1	PALM-SCANNER	LSCAN 500 Palm Scanner Upgrade	1	\$9,995	\$9,995
2	SUPPLYKIT-500	LSCAN 500 Supply Kit (5 silicone pads & 5 tape cleaner pads)	1	\$298	\$298

Pricing: <input checked="" type="checkbox"/> State <input type="checkbox"/> Federal <input type="checkbox"/> Commercial	Sales Tax: <input type="checkbox"/> Non Exempt <input checked="" type="checkbox"/> Exempt	Subtotal: \$10,293
		Sales Tax:
		Shipping & Handling:
		Other:
Payment Terms: <input checked="" type="checkbox"/> Net Terms <input type="checkbox"/> Contract <input type="checkbox"/> 50% Down, Balance due upon installation	TOTAL: \$10,293	



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

CONTRACT CHANGE NOTICE

Change Notice Number **2**
 to
 Contract Number **071B6600022**

CONTRACTOR	ID NETWORKS, INC
	7720 Jefferson Road
	Ashtabula, OH 44004
	John Wheelock
	440-992-0062
	jwheelock@idnetworks.com
	CV0015594

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

CONTRACT SUMMARY				
LIVE SCAN				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
January 26, 2016	January 25, 2021	5 - 1 Year	January 26, 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"/>	5 years	<input type="checkbox"/>		January 26, 2026
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$1,982,994.00	\$0.00	\$1,982,994.00		
DESCRIPTION				
Effective 1/20/2021, the parties exercise all five available option years. All other terms, conditions, specifications, and pricing remain the same. Per contractor, agency and DTMB procurement.				

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

AGENCY	NAME	PHONE	EMAIL
MSP	Michael Ransom	517-420-7156	ransomm@michigan.gov
DTMB	Gordon Mayes	517-204-8026	mayesg1@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 **1**

to

Contract Number **071B6600022**

CONTRACTOR	ID Networks, Inc.
	7720 Jefferson Road
	Ashtabula, OH 44004
	John Wheelock
	440-992-0062
	jwheelock@idnetworks.com
	CV0015594

STATE	Program Manager	Michael Ransom	MSP
		517-241-1740	
		ransomm@Michigan.gov	
	Contract Administrator	Sean Regan	DTMB
		(517) 284-6993	
		regans@michigan.gov	

CONTRACT SUMMARY				
LIVE SCAN				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
January 26, 2016	January 25, 2021	5 - 1 Year	January 26, 2021	
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"/>		January 26, 2021
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$1,982,994.00	\$0.00	\$1,982,994.00		
DESCRIPTION				
<p>Effective August 17th, 2018, the Michigan State Police are adding a Criminal Desktop Palmprint Live Scan System to the existing contract, per the attached quote. Tier pricing is also being added for future purchases of this system.</p> <p>All other terms, conditions, specifications, and pricing remain the same. Per contractor, agency and DTMB procurement.</p>				

QUOTE #: 18-0313-01		BILL TO:		SHIP TO:	
ID Networks, Inc.		Company		Company	
7720 Jefferson Road		Contact		Contact	
Ashtabula, Ohio 44004		Address		Address	
Phone 800-982-0751		Krystal Howard			
Fax 440-992-1109		Michigan State Police			
E-mail jwheelock@idnetworks.com		7150 Harris Dr.			
Rep Name John Wheelock		Dimondale, MI 48821		Phone	
		Cell: 517-331-7965		Fax	
		Fax: 517-284-3171		E-mail	
		HowardK6@michigan.gov		Method	
		Website			

Item	Reference	Description	Qty	Unit Price	Extended Price
1	LiveScan System - Palm	ID Networks Criminal Desktop Palmprint LiveScan System (includes Livescan Software, LSCAN 500 USB Palm Scanner, WIN10 Laptop, and Onsite Installation and Training)	1	\$14,495	\$14,495

Pricing:	<input type="checkbox"/> State Contract Number: 071B6600022	Sales Tax:	<input type="checkbox"/> Non Exempt	<input checked="" type="checkbox"/> Exempt	Subtotal:	\$14,495
					Sales Tax:	
					Shipping:	
					Other:	
Payment Terms:					TOTAL:	\$14,495
<input type="checkbox"/> Net Terms						

Below is the tiered pricing tables for future purchases of this system.

Product Item	
ID Networks Criminal Desktop Palmprint LiveScan System (includes Livescan Software, LSCAN 500 USB Palm Scanner / or TP5300 Palm Scanner, WIN10 Laptop, and Onsite Installation and Training)	
Quantity	Cost per Item
1 system	\$14,995
2 - 5 systems	\$14,495
6 -10 systems	\$14,495
11 - 20 systems	\$11,995
21 +	\$11,995

Maintenance and Support	
ID Networks Criminal Desktop Palmprint LiveScan System (includes Livescan Software, LSCAN 500 USB Palm Scanner / or TP5300 Palm Scanner, WIN10 Laptop, and Onsite Installation and Training) – 3 year warranty on laptop only	
Quantity	Cost per Item per Year
1 system	\$3,495
2 - 5 systems	\$2,995
6 -10 systems	\$2,995
11 - 20 systems	\$1,995
21 +	\$1,995

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
PROCUREMENT

525 W. ALLEGAN STREET
LANSING, MI 48933

P.O. BOX 30026
LANSING, MI 48909

NOTICE OF CONTRACT NO. 071B6600022

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
ID Networks, Inc. 7720 Jefferson Road Ashtabula, OH 44004	John Wheelock	jwheelock@idnetworks.com
	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
	(440) 992-0062	6831

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	MSP	Michael Ransom	(517) 241-1740	ransomm@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Mike Breen	(517) 284-7002	breenm@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION:			
Live Scan - STATEWIDE			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
5 years	January 26, 2016	January 26, 2021	5, one year
PAYMENT TERMS	F.O.B.	SHIPPED TO	
Net 45	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			
MISCELLANEOUS INFORMATION			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION		\$1,982,994.00	

For the Contractor:

_____,
Contract Administrator

Date

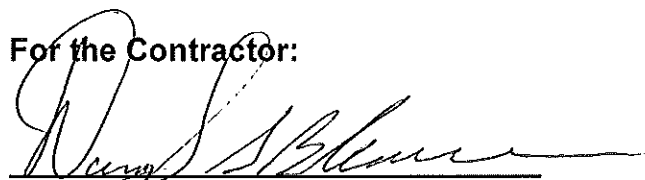
For the State:

_____,

State of Michigan

Date

For the Contractor:

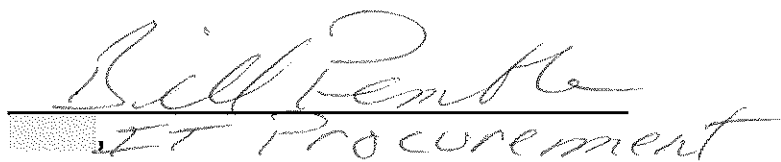


Douglas Blenman
Contract Administrator
ID Networks, Inc.

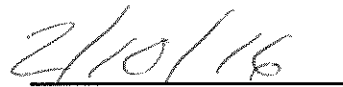
February 5, 2016

Date

For the State:


IT Procurement

State of Michigan



Date

Contents

Article 1 – Statement of Work (SOW)	5
1.000 <i>Project Identification</i>	5
1.001 Project Request	5
1.002 Background	5
1.100 <i>Scope of Work and Deliverables</i>	5
1.101 In Scope	5
1.102 Out Of Scope	5
1.103 Environment	5
1.104 Work and Deliverables	7
A. Business Requirements	7
B. Hardware	7
C. Software	9
D. Implementation	10
E. Training	10
F. Maintenance and Support	11
G. Documentation	14
M. Other Services (Any additional product or services)	15
1.200 <i>Roles and Responsibilities</i>	15
1.201 Contractor Staff, Roles, And Responsibilities	15
A. Contractor Staff	15
B. On Site Work Requirements	17
1.202 State Staff, Roles, And Responsibilities	17
1.300 <i>Project Plan</i>	18
1.301 Project Plan Management	18
1.302 Reports	20
1.400 <i>Project Management</i>	20
1.401 Issue Management	20
1.402 Risk Management	20
1.403 Change Management	21
1.500 <i>Acceptance</i>	21
1.501 Criteria	21
1.502 Final Acceptance	21
1.600 <i>Compensation and Payment</i>	22
1.601 Compensation And Payment	22
Article 2, Terms and Conditions	24
2.010 Consents and Approvals	25
2.020 Contract Administration	25
2.030 General Provisions	28
2.040 Financial Provisions	30
2.050 Taxes	31
2.060 Contract Management	31
2.070 Subcontracting by Contractor	33
2.080 State Responsibilities	34
2.090 Security	35
2.110 Records and Inspections	35
2.120 Warranties	36
2.140 Indemnification	43

2.150	Termination/Cancellation	44
2.160	Termination by Contractor	47
2.170	Transition Responsibilities	47
2.180	Stop Work.....	48
2.190	Dispute Resolution	49
2.200	Federal and State Contract Requirements.....	50
2.210	Governing Law	51
2.220	Limitation of Liability	51
2.230	Disclosure Responsibilities	52
2.240	Performance	53
2.250	Approval of Deliverables	55
2.260	Ownership	57
2.270	State Standards.....	58
2.280	Extended Purchasing Program.....	58
2.290	Environmental Provision	59
2.300	Deliverables	60
2.310	Software Warranties	60
2.320	Software Licensing.....	61
	Attachment A. MSP LiveScan Business Requirements	70
	Attachment B. Preliminary Project plan	87
	Attachment C. Cost Table	93

Article 1 – Statement of Work (SOW)

1.000 Project Identification

1.001 PROJECT REQUEST

The State of Michigan (SOM), through the Michigan State Police (MSP), and with the assistance of the Michigan Department of Technology, Management, and Budget (DTMB), has issued this Contract to provide Live Scan and Flatbed Scanner systems (referred to as "Live Scan Systems") and ongoing support with the ability to purchase systems to meet future needs of MSP with ID Networks, Inc.

1.002 BACKGROUND

MSP currently has Live Scan Systems assigned throughout the state at the various MSP Posts and/or Detachments. These Live Scan units meet all the MSP and FBI hardware requirements and have been used extensively with a high degree of success. Due to the fact that support is expiring on these critical pieces of equipment, a new bid process was needed to replace these systems and take advantage of newer scanner technology.

1.100 Scope of Work and Deliverables

1.101 IN SCOPE

Live Scan

Biometrics Division requires a turnkey ten-print/palm Live Scan electronic fingerprint system that includes all hardware and software necessary to enter arrest and applicant data, collect fingerprints, palm prints and photos, and transmit to the Michigan AFIS meeting the MSP EBTS, FBI IQS, and always conform to the most recent ANSI/NIST-ITL standard.

Contractor will replace 18 current Live Scan systems and provide maintenance and support for these systems as well as the two (2) existing systems currently implemented.

Flatbed Scanner

The Live Scan system uses a flatbed scanner to import fingerprints from a card instead of physically fingerprinting the individual.

Contractor will provide one (1) additional flatbed scanner system including maintenance and support for that system as well as providing continued maintenance and support for the one (1) existing system.

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

Staff Augmentation

1.103 ENVIRONMENT

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

Contractors are advised that the State has methods, policies, standards and procedures that have been developed over the years. All services and products provided as a result of this Contract must comply with all applicable State IT policies and standards. Contractor is required to review all applicable links provided below and state compliance in their response.

Enterprise IT Policies, Standards and Procedures:

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

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

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

Enterprise IT Security Policy and Procedures:

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

The State's security environment includes:

- MDTMB Single Login.
- MDTMB provided SQL security database.
- Secured Socket Layers.
- SecurID® (Advanced Authentication for external network access and high risk Web systems)

MDTMB requires that its single - login security environment be used for all new client-server software development. Where software is being converted from an existing package, or a client-server application is being purchased, the security mechanism should be approved in writing by the State's Project Manager and MDTMB Office of Enterprise Security.

Look and Feel Standard

All software items provided by the Contractor should be ADA complaint and adhere to the Look and Feel Standards www.michigan.gov/somlookandfeelstandards.

The State Unified Information Technology Environment (SUITE):

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

Agency Specific Technical Environment

The MSP uses at a minimum a Windows 7 environment. All Live Scan stations should use either a laptop or desktop computer with the standard MSP firewall rules. Currently the Live Scan devices either use a client VPN SecurID® token or a Local Government Network (LGNNet) connection to provide the secure connection to the Michigan AFIS. Data transmitted from the scanner must have the ability to be encrypted in flight/transit. Encryption in flight should be the most current FIPS certification (currently 140-2) with the certificate numbers provided upon audit. Additionally, there should be FBI approved print quality printers able to interface with all operations.

The Contractor must support any future changes to the MSP environment.

1.104 WORK AND DELIVERABLES

- I. Provide and Install 18 new Live Scan systems (To include ten print/palm scanner, camera, printer, driver's license scanner and computer) in multiple locations across the State of Michigan.
- II. Provide and Install one (1) new Flatbed Scanner system at MSP Headquarters.
- III. Provide maintenance and support of all hardware and software delivered. Maintenance support charges will not begin until after the warranty period (1 year after all systems (18 Live Scan and one (1) Flatbed Scanner systems) have been installed and approved by MSP)

A. Business Requirements

The Contractor must meet all of the requirements detailed in Attachment A to support the Live Scan Systems.

During requirement validation, the Contractor will identify any functional or technical issues that need to be addressed for successful implementation and propose resolutions to be undertaken.

The Contractor will deliver to the State detailed documents specifying any product or performance gaps that are identified, discussed, and resolved during configuration/design decisions leading to the implementation of a complete and functional systems.

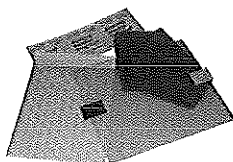
As a result, the Contractor will provide a finalized Application design document to detail how the solutions will be set up to provide the State's requested functionality and technical requirements and to perform to the State's satisfaction.

B. Hardware

Contractor's Live Scan System includes fingerprint/palm print image capture technology solution presented is designed to meet MSP's long term needs and provide the best value to MSP. The live scan solution comprises the FingerRoll software in conjunction with fingerprint and palm capture capabilities of Cross Match. Contractor has designed a solution utilizing exceptionally durable hardware materials. A workstation PC utilizing Windows 8.1 Professional and APC UPS will be provided. All activity on the live scan is displayed on a 22-inch LCD monitor controlled by a standard keyboard and mouse. DL scanners will be provided that allows for the importing of data from a driver's license in two different ways. Located in a convenient location for the Agency, is a certified Lexmark duplex printer capable of printing fingerprint cards. For high resolution image capture, a camera will be affixed to a mount. This total hardware solution will provide MSP with a robust live scan platform.

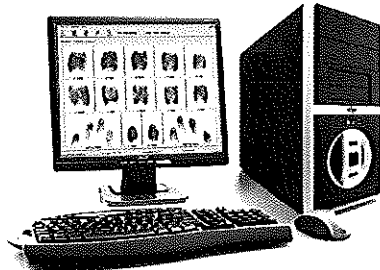
The Live Scan System includes:

- FBI NIST Approved 500 PPI scanner
- PC Workstation
- FBI/NIST approved printer
- Mug Shot Camera
- Driver's License Reader



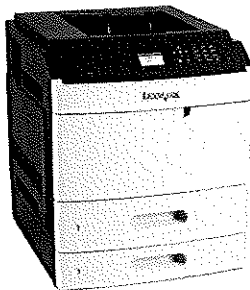
LSCAN 500P Supply Kit

Includes (5) Silicone Membrane Pads & Tape Cleaner Pads)



PC Workstation

- Windows 8.1 Professional Operating System
- Intel Core i3-4160 3.6Ghz 3MB S1150
- 8GB Kit (2x4GB) DDR3 1600Mhz
- 80 Plus 350 Watt Power Supply
- 1.00TB 7200RPM 64MB SATA3
- 24X SATA DVDRW
- 300 Watt 80 Plus Power Supply
- 3 Port PCI FireWire Card
- UPS - 750VA Tower Line-Interactive 120V with USB port



Lexmark MS810dtn

The Lexmark printer comes with a duplexer and an additional universal tray. The 8 x 8 cardstock is printed from the Universal tray and requires no special preprinted cards.

Printer stands should be purchased separately.

Dimensions: 16.5 x 16.7 x 20.1 in.

Weight: 52.2 lb

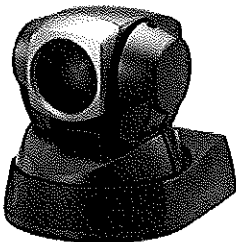


Photo Capture

This kit includes a Hi-Resolution Digital Color Camera (seen here) which has Pan-Tilt-Zoom features (usually driven by the keyboard), a PCI Frame Grabber Capture Card, a Remote Control, your choice of a Wall or Countertop mount, cables, and installation instructions.

The power of this configuration is its ease of use which is exploited through the keyboard controls over the camera. The software provides very efficient and powerful control of the camera. This setup also ensures better picture quality given its auto-focus feature and robust zoom capabilities.

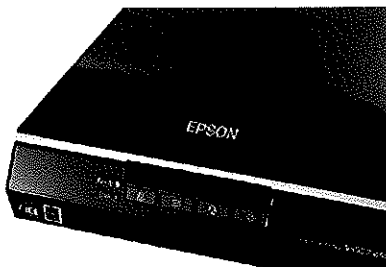


Driver's License Scanner

This feature of the LiveScan software allows for the importing of data from a driver's license in two different ways. It can import the data from a 2D barcode or it can perform an OCR on the front of the driver's license to read the available text. Doing so in either way helps to eliminate double typing. By scanning the front of the license, the record can be associated with the photo from the license (which gets extracted). This device works on any state's license and often works with other forms of government issued ID's. This device works via a USB interface and requires no additional power.

Flatbed Scanner System

The Epson Perfection V550 Photo features amazing performance and versatility for any project. 6400 dpi resolution ensures images are sharp and vivid, whether you're scanning film, slides, negatives, photos or everyday documents. And, it makes it easy to create enlargements up to 17" x 22". The V550 Photo will automatically upload your scans directly to Facebook, Picasa, popular cloud services and more.¹ Plus, at the touch of a button, you can restore old photos and negatives, thanks to Easy Photo Fix. Or, use DIGITAL ICE to remove the appearance of dust and scratches on film. The V550 Photo features energy-efficient, ReadyScan LED technology for high-speed scanning with no warmup time.



Flatbed Scanner System

The Epson Perfection V550 Photo:

- Create sharp, vivid reproductions - 6400 dpi resolution for enlargements up to 17" x 22"
- Scan 35mm slides, negatives and film — built-in Transparency Unit
- Scan and share — automatically upload to popular cloud services and more
- Achieve robust photo restorations — DIGITAL ICE® technology removes the appearance of dust and scratches on film
- Bring faded photos back to life — Easy Photo Fix® for one-touch photo restorations
- Achieve greater productivity with ReadyScan® LED technology — fast scanning, no warmup time, no mercury
- Scan multiple photos at one time — auto edge detection crops each image and saves it as a separate file
- Convert scanned documents into editable text — ABBYY® FineReader® Sprint Plus OCR
- Brilliant, true-to-life colors — amazing, 48-bit color depth
- Do more — Hi-Speed USB 2.0

Note: All hardware must meet State and FBI Standards

C. Software

The Contractor will provide any and all software required to run/interface/maintain functionality of the LiveScan Systems. Any and all software must *meet State and FBI Standards and must be integrated in the Live Scan Systems.*

Contractor solution includes intuitive, field-proven live scan software that meets and exceeds all MSP required features and functionality, which enabling operators to capture fingerprints and palm prints, mug shots, scars, marks, and tattoos, without extensive training. Furthermore, our live scan solution incorporates the FBI certified Lexmark MS810 duplex laser printer with Aware Accuprint fingerprint and palm print printing algorithm, allowing the printing of fingerprint cards on blank FBI card stock.

Extensive user defined set up options are available for agency System Administrators. These set up options determine how the live scan software (FingerRoll) is to operate and can be made to fit in with each agency specific workflow.

Contractor LiveScan Software Features:

- Fully compliant and FBI Certified Products Listing (Appendix F) to meet Image Quality Specifications (IQS) requirements
- Automates sequence checking by comparing rolled and flat impression
- WSQ image compression
- Fast real-time image capture with screen preview
- Data checking and real-time operator feedback for assurance of correct data entry format
- Intuitive and easy-to-use graphical interface
- Customizable tool tips and data entry screens
- Creates a complete arrest record with demographic, fingerprint/ palm print, mug shot, and SMT information
- Permanent storage of electronic fingerprints, palm prints, arrest records, and photos for archiving purposes
- Built-in web interface allows the status and contents of live scan records to be viewed by authorized personnel from almost any computer
- Free built-in demographic import to eliminate double typing
- Minimal training to operate, even for first time users

The Contractor will provide and support any other software required to take biometric data and transmit to the State and FBI through the Individual Live Scan Systems.

D. Implementation

Implementation will be coordinated between MSP and the Contractor. This implementation process must not take any longer than 90 days to implement and onsite support will be available until MSP has signed off that each system has been successfully deployed.

Services to implement the application, including

- Delivery and setup
- Configuration
- Interfaces/Integration

Contractor will allow MSP authorized system to interface/integrate with their Live Scan systems:

All systems are fully integrated by the Contractor prior to shipment. Some configuration and network connectivity testing will be performed in the field, but for the most part, systems are preloaded, fully tested, customized for the state specific applications, tailored to the items actually ordered by the destination location. Upon each startup, the system performs an automated calibration process. Upon completion the operating platform security takes over and the agency is ready to begin training on the system. Default passwords are shipped with each system. Agency security coordinator will first set up passwords for the appropriate personnel, after which training may begin.

E. Training

The Contractor will provide 2 training session at each installation location. The location times and number of trainees will be agreed upon between Contractor and the live scan site. The training will be sufficient to enable end users to perform all day-to-day operations without the Contractors intervention. In addition, System Administration and User Guides will be supplied to help assist the use and support of the Live Scan System. Special accommodations, including but not limited to videos, net meeting support and help desk when targeted training is needed, will be offered with any agency requiring additional or nonstandard training at no additional cost.

Contractor will provide *up to 3 additional training sessions per year after the initial year* to update for any changes/updates or as a refresher on how to use the system. The actual number of users and location will be determined by the needs of MSP.

The Contractor will provide all training plans and documentation to support all user types.

All training manuals, training plans and other documentation provided become the property of the State.

F. Maintenance and Support

Maintenance and Support includes both Live Scan and Flatbed Scanner Systems (Live Scan Systems) hardware and software for existing and new purchases.

Maintenance will include all support up to and including the replacement of hardware in efforts to maintain properly functioning systems.

Maintenance support charges will not begin until one year after new systems have been installed, tested and approved by MSP.

Contractor recognizes that mission critical-solutions such as the MSP live scan systems require high availability. Having reliable, timely support is essential for uninterrupted business operations. Contractor will provide complete Maintenance and Support Services to help MSP maximize its technology investment for optimal business value. Contractor fully complies with MSP's requirements and is committed to deliver on the warranty and post-warranty support requirements to ensure the ongoing success of the MSP live scan program.

Following the successful project implementation and live scan acceptance by MSP, Contractor will transition activities to the Contractor's Service and Support team to manage live scan support needs. MSP's live scan solution will be supported by a model that includes a field support engineer and experienced secondary support group within our Biometrics Solutions Division and a management team with extensive industry experience to deliver the level and quality of support required.

The Contractor will supply MSP updates to the software deliverables, when released, to correct any problems found in the product this to include virus protection. These updates will be provided at no cost to MSP for the life of the contract. Any engineering changes released by the equipment and middleware suppliers will be passed to MSP at no additional cost. Product updates that add features and functions to the live scan system will be made available through the change order process. However, the Contractor will provide corrective maintenance in accordance with the maintenance contract at no additional cost to MSP for all hardware, software, and documentation supplied by ID Networks for the life of the contract.

All live scan problem calls can be reported to the Contractor's 24 x 7 call center through a toll free number and will be dispatched immediately to a support team at no additional cost. All calls will be tracked utilizing the call center's registration tool, and clients are provided with a ticket number for reference. Information gathering on all problems is of utmost importance. As problems are reported, a determination will be made of the most likely cause, and steps will be taken toward resolution. All resources, including support engineers, fields support technicians, developers, and management will be utilized as required to solve problems in a manner causing as little impact to MSP's operations as possible. See Procedure for Requesting Support below for more details.

Service Repair and Replacements for all covered equipment

When equipment fails, the Contractor will first diagnose the problem using the Contractor's toll-free support lines or remote dial-up facilities. Then, based on the type of repair required, the Contractor will arrange with the designated account liaison for the end-user preferred method of hardware repair/replacement. The liaison can either have the parts shipped to the end-user (within 24 hours in most cases for next day delivery) and be walked through the swap (usually the fastest method) or, if preferred, the Contractor will arrange for shipping the equipment back to the Contractors office for repair and return shipment.

When the end-user cannot afford to be without the equipment, temporary replacement equipment is shipped for use while the equipment is being fixed. If the account does not have the proper packaging, the Contractor will ship it that same day. The Contractor will then make all the arrangements with UPS to pick up the equipment.

In any case, the Contractor will pay all shipping costs to include the replacement equipment, pickup and shipment of the repaired system.

The Contractor must notify the MSP Program Manager at the time the Live Scan System has been down for 24 hour. The State will be provided with information on down Live Scan System, including errors and defects encountered at all locations, along with the resolutions.

NOTE: Equipment coverage is limited to failures under normal operation and does not apply to power outages, acts of God, or other external influences on the system by persons, etc. The customer is expected to maintain current and appropriate insurance coverage for Contractor provided equipment for such occurrences.

Procedure for Requesting Support

Upon purchase of your ID Networks products, the end-user will be assigned credentials to access the Contractor's help desk system. Using the helpdesk ensures accurate prioritization of support request.

To open a new support case the end-user may use one of the following methods:

- a. Contact Contractor via Contractor provided telephone number 24x7.
- b. Browse to support page (<http://www.idnetworks.com/Support/default.html>) and login into the help desk system.
- c. Send an email to (LIVESCANSupport@idnetworks.com).

Each of the methods creates a helpdesk ticket. Once a ticket has been created, one of the Contractor's support technicians will review and acknowledge the ticket immediately. He or she will then contact the end-user by phone to establish connectivity and discuss the resolution within 30 minutes.

All tickets are queued based on the nature and priority of the request, followed by first in first out methodology

Service Level Response and Resolution

Severity Level One

System inaccessible or operating in materially degraded state & data integrity at risk.

Service Level Response and Resolution: Contractor will acknowledge the Severity Level One request within 30 minutes and resolve the problem(s) in 3 hours or provide replacement within 24 hours after acknowledgement.

Severity Level Two

These calls are similar in nature to Severity Level 1 calls, but workaround(s) exist for the problem(s) and/or the problem(s) do not severely impact site processing as detailed below.

- Service is operating with minor issues that can be addressed with a work around.
- An error substantially degrades the performance of the software or materially restricts customer's business; e.g. moderate system impact, system hanging. Such as a primary component failure that materially impairs its performance.

Service Level Response and Resolution: Contractor will acknowledge the Severity Level Two request within 30 minutes and resolve the problem(s) in 6 hours after acknowledgement.

Severity Level Three

Calls associated with problems that have a minimal impact on site processing. These calls will be addressed during normal business hours.

- Question; non-critical failures. Such as request for assistance, information, or services that are routine in nature.

Service Level Response and Resolution: Contractor will acknowledge the Severity Level Three request within one business day and resolve the problem(s) in 12 hours after acknowledgement.

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

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

Severity Level of Error	Service Credits	
	For Response Time Service Level Failures	For Resolution Time Service Level Failures
1	Level 1 Response An amount equal to 5% of the then current annual Support Fee for each hour by which Contractor's response exceeds the required Level 1 Response time.	An amount equal to 10% of the then current annual Support Fee for each hour by which Contractor's Resolution of the Support Request exceeds the required Resolution time.
2	Level 2 Response An amount equal to 5% of the then current annual Support Fee for each Business Day, and a pro-rated share of such percentage for each part of a Business Day, by which Contractor's response exceeds the required Level 2 Response time.	An amount equal to 10% of the then current annual Support Fee for each Business Day, and a pro-rated share of such percentage for each part of a Business Day, by which Contractor's Resolution of the Support Request exceeds the required Resolution time.
3	No Service Credits are Available for Severity Level 3 Response Time Service Level Failures.	N/A

Remote Support and Problem Diagnosis

Upon installation of Contractor's products, remote connectivity to the agency will be established. Contractor network engineers will work with the agency to determine the most appropriate connection method.

A remote connection to the agency ensures Contractor's ability to service, troubleshoot and upgrade 24 hours a day seven days a week. All critical machines, such as servers and dispatch computers must have remote connectivity.

In cases where a machine is not accessible on a regular basis, Live Remote Assistance (LAR) will be employed.

If LAR is required SOM technicians will work with the agency first to determine the nature of the problem. He or she will then direct the end-user to Contractor's website <http://www.idnetworks.com/Support/liveremote.html> and provide end-user with a unique number to initiate screen sharing. With end-user's permission, Contractor technician can remotely operate end-user's PC.

Remote diagnostic capabilities may be used but must be compliant with all CJIS security rules.

On-Site Support

Onsite support may be necessary for various issues. Should the need arise for onsite support, Contractor technicians will be onsite at the dates and times agreed upon by the end user and the Contractor. This on-site support will be provided at no cost.

Software Upgrade Information

The Contractor is committed to continually enhancing their product features and introducing new functionality. Contractor team of developers, engineers and support personnel work with the agency to upgrade the software in an efficient manner at no additional cost to the State.

Contractor has an architecture for automatic updates depending on the product, a predetermined update schedule is set. These are scheduled with the State in advance. No impact will be experienced by the State unless agreed upon by the MSP Program Manager.

All new releases and bug fixes for any software deliverable developed or published by Contractor and made generally available to its other customers at no additional charge will be provided to the State at no additional charge.

G. Documentation

The Contractor will provide documentation including user manuals, system administration manuals, data dictionaries, operation manual, software licenses, maintenance agreements, error code descriptions and any other document that may be helpful to the end user or the State. This includes, but not limited to:

- User manuals
- Technical manuals
 1. A minimum of four (4) copies of the following documentation in an electronic format and in hard copy will be provided:
 - a. User and System Administration manuals - On-line and hard copy
 - b. Basic Troubleshooting Documentation for all systems and equipment
 - c. Data element dictionary
 - d. Operations Manual
 - e. All updates of documentation during the term of the contract, software license and maintenance agreement
 - f. Error codes and descriptions
 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 should 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 should be available in electronic format, published to an intranet website, accessible to State users, 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 and facilitates updating and allows for revisions to the documentation to be clearly identified including the three (3) previous versions.
6. The Contractor should develop and submit for State approval complete, accurate, and timely system, operations, and user documentation.
7. The Contractor should notify the State of any discrepancies or errors outlined in the system, operations, and user documentation.

System Administration and User Guides will be supplied to help assist the use and support of the live scan system.

M. Other Services (Any additional product or services)

The Contractor will work with booking /records management system vendor at no additional cost. Contractor will not charge for this interface as long as the booking/records management vendor agrees to meet Contractor standard live scan interface specification.

The Contractor, at no cost to the State, will meet any and all new requirements that may result from any or all of the following examples:

- A. New State policy requirements
- B. New Federal regulations

The State may require additional products or services to support the needs of the State. There is no guarantee as to the level of funding, if any, available for other products or services.

For any future products purchased, the Contractor will provide the same service and support as identified in this contract.

Contractor shall not be obliged or authorized to commence any work to implement a new Product or service until authorized via a PO issued against this Contract. Contractor shall perform in accordance with this Contract, including the Purchase Orders executed under it.

1.200 Roles and Responsibilities

1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

A. Contractor Staff

The Contractor will provide sufficient qualified staffing to satisfy the deliverables of this Statement of Work. The Contractor commits to staff performing the assigned work be subject to full background checks.

The Contractor has identified, Pat Foster 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 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.

All Key Personnel may be subject to the State's interview and approval process. Any key staff substitution should have a background check and have the prior approval of the State. The State has identified the following as key personnel for this project:

- Project Manager
- Technical Lead
- Trainer
- Escalation Contact

The Contractor's project manager, Pat Foster, responsibilities include:

- 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's Technical Lead, Doug Mendrala, responsibilities include:

- Coordinate and oversee all installation activities
- Test all installations and report any issues to both Contractor and State project managers
- Proactively propose/suggest options and alternatives for consideration
- Work with State representatives on all installations
- Approve each installation site has been properly deployed and tested and notify the State when they can commence testing to approve the site

The Trainer's, Doug Mendrala, responsibilities include:

- Schedule and/or conduct two trainings within 30 days of installation (per location).
- Offer train the trainer or full training to users depending on site needs
- Provide documentation of an overview of the training
- Provide up to three training sessions a year through the maintenance period.

Escalation Contact, Derek Tapper, should not be a subordinate to either Project Manager or Technical Lead and the responsibilities for this individual should include:

- Be the single point of contact to work through anything not in-scope
Have the authority to make decisions for the company and will be contacted in the event of any issues beyond the normal scope of the project and/or any issue that the MSP feels is not meeting the conditions of the negotiated contract

The Contractor will provide, and update when changed, an organizational chart indicating lines of authority for personnel involved in performance of this Contract and relationships of this staff to other

programs or functions of the firm. This chart should also show lines of authority to the next senior level of management and indicate who within the firm will have prime responsibility and final authority for the work.

The Contractor has indicated that no subcontractors are required to satisfy the deliverables of this Statement of Work.

B. On Site Work Requirements

1. Location of Work

The work is to be performed, completed, and managed at various locations within the State of Michigan.

The initial 18 installation sites will be determined and provided by MSP to the Contractor upon Contract execution. Additional sites in Michigan may be added or sites may be changed with notice to the Contractor.

2. Hours of Operation:

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

3. Travel:

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

4. Additional Security and Background Check Requirements:

The validity of any previous background check or drug test will be determined solely by the Michigan State Police. Any Background or drug test not found to be current and properly conducted, in the opinion of the MSP, will be re-administered for all staff identified for assignment to this project.

In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card to the State and the FBI and will be subject to MSP criteria for any access to Criminal Justice Information.

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

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

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

Name	Agency/Division	Title	Phone/e-mail
Scott Blanchard	MSP	AFIS Manager	(517) 241-0620/ BlanchardS1@michigan.gov
Michael Ransom	MSP	Automated Print Manager	(517) 241-1740/ Ransomm@michigan.gov

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/milestone
- Review and sign-off of timesheets and invoices
- Resolve project issues
- Escalate outstanding/high priority issues
- Utilize change control procedures
- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions
- Arrange, schedule and facilitate State staff attendance at all project meetings.

Name	Agency/Division	Title
Gordon Mayes	DTMB Agency Services	IT Manager
Michael Ransom	MSP	Auto Print Manager

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

Name	Agency/Division	Title
Mike Breen	MDTMB	Buyer

1.300 Project Plan

1.301 PROJECT PLAN MANAGEMENT

Preliminary Project Plan

Contractor provided as Attachment B the Preliminary Project Plan which includes necessary time frames and deliverables for the various stages of the project and the responsibilities and obligations of both the Contractor and the State.

Note: A Final Project Plan will be required as stated in Article 1, Section 1.301 Project Control. Failure to provide deliverable/milestone by the identified date may be subject to liquidated damages as identified in Article 2.

Orientation Meeting

Upon 7 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, or by teleconference 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.

At the Orientation kick-off meeting, the following tasks will also be conducted:

Risk Identification: This planning process consists of the identification of any factors which could affect the project. Typical risks for a project of this nature include:

- Site-Specific Customizations
- Lack of Network Documentation

For each risk identified, a proper mitigation plan will be developed. Typical mitigations for the examples listed above would include:

- Site-Specific Customizations: Interviewing site IT staff during the site survey to verify functionality and interfaces. Site specific configurations are reviewed prior to shipping.
- Lack of Network Documentation: Site IT staff provide the proper IP addressing schemes, as well as verifying bandwidth and connectivity.

Risks are reviewed at each weekly project management meeting to determine if the risk has been averted, has occurred, or if anew risk has been identified which requires mitigation/planning.

Performance Review Meetings

The State will require the Contractor to attend weekly meetings, at a minimum, to review the Contractor's performance for the initial implementation. The State will require the Contractor to attend quarterly meetings, at minimum, to review the Contractors overall performance for this 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 MDTMB and MSP.
2. Within 30 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. This project plan should be in agreement with Article 1, Section 1.104 Work and Deliverables, and should 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 should 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.
3. The Contractor will manage the project in accordance with the State Unified Information Technology Environment (SUITE) methodology, which includes standards for project management, systems engineering, and associated forms and templates which is available at <http://www.michigan.gov/suite>
 - a. Contractor will use an automated tool for planning, monitoring, and tracking the Contract's progress and the level of effort of any Contractor personnel spent performing Services under the Contract. The tool shall have the capability to produce:
 - 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 90 calendar days, updated semi-monthly).
 - Updates should 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 should produce information of a type and in a manner and format that will support reporting in compliance with the State standards.

1.302 REPORTS

Reporting formats are expected to be submitted to the State's Project Manager for approval within 10 business days after the execution of the 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.

A weekly Project Status report for the initial implementation will be provided that will address items, but not limited to, bulleted below:

- Project plan with weekly status updates
- Summary of activity and accomplishments during the report period
- Any issues encountered during install and/or changes that needed to be made
- Change Control

1.400 Project Management

1.401 ISSUE MANAGEMENT

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

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

All unexpected issues that may arise will be reported to the Business Lead/Escalation Contact or Project Manager as appropriate based on the nature of the issue. Project Manager or Business Lead will escalate the issue for resolution internally as appropriate based upon the nature of the issue

1.402 RISK MANAGEMENT

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

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

A risk management plan format shall be submitted to the State for approval within twenty (20) business days after the effective date of the contract. 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 should 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.

All change requests will need to be reported by the MSP Project Manager to the Contractor Project Manager. The Contractor PM will then work with the agency PM and DTMB PM on the approval/disapproval of the change request.

If a proposed contract change is approved by the Agency, the Agency will submit a request for change to the Department of Technology, Management and Budget, Procurement Buyer, who will make recommendations to the Director of DTMB-Procurement regarding ultimate approval/disapproval of change request. If the DTMB Procurement Director 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 the DTMB-Procurement, risk non-payment for the out-of-scope/pricing products and/or services.

1.500 Acceptance

1.501 CRITERIA

All systems should be installed, tested and approved in the sending of criminal builds, criminal Identification only and the applicant prints. They should be able to submit using any fingerprint reason code that is authorized. All systems should reflect the most current tables provided by the State and should have a plan in place to update key tables on a regular basis. These are tables such as ORI, PACC Codes, MAC Codes, Arrest File Classes and any other table that would change on a regularly as identified by the AFIS programmer.

1.502 FINAL ACCEPTANCE

Final acceptance will be given upon the successful testing from the State personnel on all systems installed in the deployment and agreed upon by Contractor and State that there are no outstanding issues. The one year warranty period will not start on any Live Scan system until all 18 Live Scan Systems have been installed, tested and approved by the State.

1.600 Compensation and Payment

1.601 COMPENSATION AND PAYMENT

See Attachment C. Costs Table for pricing information.

The initial 19 Live Scan Systems (18 Live Scan and 1 Flatbed Scanner System) are anticipated but MSP does not commit to any set amount of systems to be purchased. Additional sites in Michigan may be added or sites may be changed with notice to the vendor. These changes are not to affect the pricing.

Method of Payment

The project will be paid in two installments, 50% upon the successful deployment of 10 systems, the balance of the payment of 50% shall be issued upon a successful deployment and State acceptance of all 19 systems. After the one year warranty period maintenance will be paid yearly.

For any future product purchases, the Contractor will be paid 100% upon a successful deployment and State/end user acceptance.

Contractor is required to submit an Administrative Fee (see Section 2.031) on all payments remitted under the Contract.

Travel

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

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 an annual basis. 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.

Article 2, Terms and Conditions

2.000 CONTRACT STRUCTURE AND TERM

2.001 CONTRACT TERM

This Contract is for a period of 5 years beginning January 26, 2016 through January 25, 2021. 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.

2.002 OPTIONS TO RENEW

This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to 5 additional 1 year periods.

2.003 LEGAL EFFECT

Contractor accepts this Contract by signing two copies of the Contract and returning them to the DTMB-Procurement. The Contractor shall not proceed with the performance of the work to be done under the Contract, including the purchase of necessary materials, until both parties have signed the Contract to show acceptance of its terms, and the Contractor receives a contract release/purchase order that authorizes and defines specific performance requirements.

Except as otherwise agreed in writing by the parties, the State shall not be liable for costs incurred by Contractor or payment under this Contract, until Contractor is notified in writing that this Contract or Change Order has been approved by the State Administrative Board (if required), signed by all the parties and a Purchase Order against the Contract has been issued.

2.004 ATTACHMENTS & EXHIBITS

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

2.005 ORDERING

The State must issue an approved written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order to order any Services/Deliverables under this Contract. All orders are subject to the terms and conditions of this Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are specifically contained in that Purchase Order or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown; however, the Contractor will be required to furnish all such materials and services as may be ordered during the Contract period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.

2.006 ORDER OF PRECEDENCE

The Contract, including any Statements of Work and Exhibits, 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 these Terms and Conditions and a Statement of Work, these Terms and Conditions will control and take precedence except as may be noted herein. The Contract may be modified or amended only by a formal Contract amendment.

2.007 HEADINGS

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

2.008 FORM, FUNCTION & UTILITY

If the Contract is for use of more than one State agency and if the Deliverable/Service does not meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

2.009 REFORMATION AND SEVERABILITY

Each provision of the Contract is severable from all other provisions of the Contract and, if one or more of the provisions of the Contract is declared invalid, the remaining provisions of the Contract remain in full force and effect.

2.010 CONSENTS AND APPROVALS

Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, the consent or approval must be in writing and must not be unreasonably withheld or delayed.

2.011 NO WAIVER OF DEFAULT

If a party fails to insist upon strict adherence to any term of the Contract then the party has not waived the right to later insist upon strict adherence to that term, or any other term, of the Contract.

2.012 SURVIVAL

Any provisions of the Contract that impose continuing obligations on the parties, including without limitation the parties' respective warranty, indemnity and confidentiality obligations, survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section

2.020 CONTRACT ADMINISTRATION

2.021 ISSUING OFFICE

This Contract is issued by the Department of Technology, Management and Budget, Procurement and the Michigan State Police (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:

Mike Breen
Buyer
Procurement
Department of Technology, Management and Budget
Mason Building, 2nd Floor
PO Box 30026
Lansing, MI 48909
BreenM@michigan.gov
(517) 284-7002

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:

Michael Ransom
Automated Print Manager
333 Grand Ave.
Lansing, MI
ransom@michigan.gov
517-241-1740

2.023 PROJECT MANAGER

The following individual will oversee the project:

Michael Ransom
Automated Print Manager
333 Grand Ave. Lansing, MI
517-241-1740

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. Such changes are subject to the Change Request procedures described in this Section. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create additional Services/Deliverables (Additional Services/Deliverables). Upon such a request, and 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. The State will not pay any additional amounts above and beyond those identified in Section 1.600. All changes are subject to the Change Request procedures described 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) **State Initiated Change 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 Contractor is of the opinion that a requested Change is not recommended, it shall communicate its opinion in its proposal to the State. Such recommendation, however, is not binding on the State and the State may request that Contractor perform such change as described in Section 2.024(4).
- (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 by the parties in a mutually executed Contract Change Notice issued by the Department of Technology, Management and Budget, Procurement.

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:

Delivery or Courier

State of Michigan
DTMB-Procurement
Attention:
1st Floor, Constitution Hall
525 West Allegan
Lansing, Michigan 48933-1502

United States Postal Service

State of Michigan
DTMB - Procurement
Attention:
PO Box 30026
Lansing, MI 48909-7526

Contractor:

Name: ID Networks, Inc.
Address: 7720 Jefferson Road, Ashtabula, Ohio 44004

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

2.026 BINDING COMMITMENTS

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

2.027 RELATIONSHIP OF THE PARTIES

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

2.028 COVENANT OF GOOD FAITH

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

2.029 ASSIGNMENTS

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

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

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

2.030 GENERAL PROVISIONS

2.031 ADMINISTRATIVE FEE AND REPORTING

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

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

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

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

2.032 MEDIA RELEASES

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

2.033 CONTRACT DISTRIBUTION

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

2.034 PERMITS

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

2.035 WEBSITE INCORPORATION

No terms on Contractors website, browse-wrap, shrink-wrap, click-wrap or other non-negotiated terms and conditions provided with any of the deliverables or services, or documentation hereunder will constitute a part or amendment of this contract or is binding on the state or any authorized/end user for any purpose. All such other terms and conditions have no force and effect and are deemed rejected by the state and the authorized/end user, even if access to or use of such service or documentation requires affirmative acceptance of such terms and conditions.

2.036 FUTURE BIDDING PRECLUSION

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

2.037 FREEDOM OF INFORMATION

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

2.038 DISASTER RECOVERY

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

2.040 FINANCIAL PROVISIONS

2.041 FIXED PRICES FOR SERVICES/DELIVERABLES

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

2.042 ADJUSTMENTS FOR REDUCTIONS IN SCOPE OF SERVICES/DELIVERABLES

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

2.043 SERVICES/DELIVERABLES COVERED

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

2.044 INVOICING AND PAYMENT – IN GENERAL

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

the Statement of Work, statements shall be forwarded to the designated representative by the 15th day of the following month.

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, and resignation or for cause termination of the Key Personnel's employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.
- (e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

2.063 RE-ASSIGNMENT OF PERSONNEL AT THE STATE'S REQUEST

The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good faith reasons. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service shall not be counted for a time as agreed to by the parties.

2.064 CONTRACTOR PERSONNEL LOCATION

All staff assigned by Contractor to work on the Contract shall perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel shall, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

2.065 CONTRACTOR IDENTIFICATION

Contractor employees must be clearly identifiable while on State property by wearing a State-issued badge, as required. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

2.066 COOPERATION WITH THIRD PARTIES

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other Contractors including the State's Quality Assurance personnel. As reasonably requested by the State in writing, the Contractor shall provide to the State's agents and other Contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with this Contract and shall not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Contract with the requests for access.

2.067 CONTRACT MANAGEMENT RESPONSIBILITIES

Contractor shall be responsible for all acts and omissions of its employees, as well as the acts and omissions of any other personnel furnished by Contractor to perform the Services. Contractor shall have overall responsibility for managing and successfully performing and completing the Services/Deliverables, subject to the overall direction and supervision of the State and with the participation and support of the State as specified in this Contract. Contractor's duties shall include monitoring and reporting the State's performance of its participation and support responsibilities (as well as Contractor's own responsibilities) and providing timely notice to the State in Contractor's reasonable opinion if the State's failure to perform its responsibilities in accordance with the Project Plan is likely to delay the timely achievement of any Contract tasks.

The Contractor shall provide the Services/Deliverables directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor shall act as a single point of contact coordinating these entities to meet the State's need for Services/Deliverables. Nothing in this Contract, however, shall be construed to authorize or require any party to violate any applicable law or regulation in its performance of this Contract.

2.068 CONTRACTOR RETURN OF STATE EQUIPMENT/RESOURCES

The Contractor shall return to the State any State-furnished equipment, facilities and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

2.070 SUBCONTRACTING BY CONTRACTOR

2.071 CONTRACTOR FULL RESPONSIBILITY

Contractor shall have full responsibility for the successful performance and completion of all of the Services and Deliverables. The State shall consider Contractor to be the sole point of contact with regard to all contractual matters under this Contract, including payment of any and all charges for Services and Deliverables.

2.072 STATE CONSENT TO DELEGATION

Contractor shall not delegate any duties under this Contract to a Subcontractor unless the Department of Technology, Management and Budget, Procurement has given written consent to such delegation. The State shall have the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good faith reasons. Replacement Subcontractor(s) for the removed Subcontractor shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State shall agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work shall not be counted for a time agreed upon by the parties.

2.073 SUBCONTRACTOR BOUND TO CONTRACT

In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor shall be the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State shall not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract. A list of the Subcontractors, if any, approved by the State as of the execution of this Contract, together with a copy of the applicable subcontract is attached.

2.074 FLOW DOWN

Except where specifically approved in writing by the State on a case-by-case basis, Contractor shall flow down the obligations in **Sections 2.031, 2.060, 2.400, 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 State will investigate the Contractor's personnel before they may have access to State facilities and systems. Any person who will have access to and State data or sites will be expected to get background checks if they have not already been check. Even if a person has been background checked in the past, he/she could be expected to be checked again. This will be unilaterally decided by the State. The scope of the background check is at the discretion of the State and the results shall be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations shall include Michigan State Police Background checks and will include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks shall be initiated by the State and shall be reasonably related to the type of work requested.

2.100 RESERVED

2.110 RECORDS AND INSPECTIONS

2.111 INSPECTION OF WORK PERFORMED

The State's authorized representatives, at reasonable times and with 3 days prior notice, have the right to enter the Contractor's premises or any other places where work is being performed in relation to this Contract. The representatives may inspect, monitor, or evaluate the work being performed, to the extent the access will not reasonably interfere with or jeopardize the safety or operation of Contractor's systems or facilities. The Contractor must provide reasonable assistance for the State's representatives during inspections.

2.112 RETENTION OF RECORDS

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

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

2.113 EXAMINATION OF RECORDS

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

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

2.114 AUDIT RESOLUTION

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

2.115 ERRORS

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

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

2.120 WARRANTIES

2.121 WARRANTIES AND REPRESENTATIONS

The Contractor represents and warrants:

- (a) It is capable in all respects of fulfilling and must fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under this Contract.
- (b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.
- (c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under neither this Contract, nor their use by the State shall infringe the patent, copyright, trade secret, or other proprietary rights of any third party.

- (d) there is no settled, pending or, to Contractor's knowledge as of the date of execution, threatened legal action, and it has not received any written, oral or other notice of any legal action (including in the form of any offer to obtain a license): (i) alleging that any access to or use of the Deliverables does or would infringe, misappropriate or otherwise violate any Intellectual Property Right of any third party; (ii) challenging Contractor's ownership of, or right to use or license, any software or other materials used or required to be used in connection with the performance or receipt of the Deliverables, or alleging any adverse right, title or interest with respect thereto; or (iii) that, if decided unfavorably to Contractor, would reasonably be expected to have an actual or potential adverse effect on its ability to perform under the Contract or its other obligations under this Contract, and it has no knowledge after reasonable investigation of any factual, legal or other reasonable basis for any such litigation, claim or proceeding.
- (e) 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.
- (f) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (g) It is qualified and registered to transact business in all locations where required.
- (h) Neither the Contractor nor any Affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two days of learning about it.
- (i) 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.
- (j) 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.
- (k) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other Contractor for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other Contractor; 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.
- (l) All financial statements, reports, and other information furnished by Contractor to the State as part of an 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.
- (m) All written information furnished to the State by or for the Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading.
- (n) 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.
- (o) 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.
- (p) Contractor acknowledges that the State cannot indemnify any third parties, including but not limited to any third-party software providers that provide software that will be incorporated in or otherwise used in conjunction with the Services, and that notwithstanding anything to the contrary contained in any third-party

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

2.122 WARRANTY OF MERCHANTABILITY

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

2.123 WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE

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

2.124 WARRANTY OF TITLE

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

2.125 EQUIPMENT WARRANTY

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

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

Within 3 business days of notification from the State, the Contractor must adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor must assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

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

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

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

2.126 EQUIPMENT TO BE NEW

If applicable, all equipment provided under this Contract by Contractor shall be new where Contractor has knowledge regarding whether the equipment is new or assembled from new or serviceable used parts that are like new in performance or has the option of selecting one or the other. Equipment that is assembled from new or serviceable used parts that are like new in performance is acceptable where Contractor does not have knowledge or the ability to select one or other, unless specifically agreed otherwise in writing by the State.

2.127 PROHIBITED PRODUCTS

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

2.128 CONSEQUENCES FOR BREACH

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

2.130 INSURANCE 2.13.1 LIABILITY INSURANCE

(Buyer must adjust insurance levels as necessary to make sure the insurance covers the risk, but is not excessive.)

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

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

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

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

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

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

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

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

(h) The Contractor must provide, within five (5) business days, written notice to the Director of DTMB-Procurement if any policy required under this section is cancelled. The notice must include the applicable Contract or Purchase Order number.

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

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

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

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

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

☒ **(i) Commercial General Liability**

(Buyer may adjust coverage depending on the amount of personal injury or property damage risk involved in the contract.)

Minimal Limits:

\$2,000,000 General Aggregate Limit other than Products/Completed Operations

\$2,000,000 Products/Completed Operations Aggregate Limit

\$1,000,000 Personal & Advertising Injury Limit, and

\$1,000,000 Each Occurrence Limit.

Deductable maximum:

\$50,000 Each Occurrence

Additional Requirements:

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the Commercial General Liability certificate.

The Contractor also agrees to provide evidence that the insurance policy contains a waiver of subrogation by the insurance company.

(Buyer may add this language if the Contractor is with a distributor.)

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

☐ **(ii) Umbrella or Excess Liability**

(Buyer should only add this coverage if there is a high risk of a large loss due to personal injury or property damage. The amount required may be adjusted.)

Minimal Limits:

\$10,000,000.00 General Aggregate

Additional Requirements:

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

☒ **(iii) Motor Vehicle**

Minimal Limits:

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

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

(Buyer should only add this coverage if Contractor will be or will likely be using State-owned vehicles)

Minimal Limits:

\$1,000,000 Per Incident

Additional Requirements:

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

☒ **(v) Workers' Compensation**

Minimal Limits:

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

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

Additional Requirements:

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

☒ **(vi) Employers Liability**

Minimal Limits:

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

Additional Requirements:

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

☐ **(vii) Employee Fidelity (Crime)**

(Buyer should check this coverage if the Contractor will have access to significant state funds or property. Coverage limits may be adjusted based on the amount of funds or property that the Contractor will have access to.)

Minimal Limits:

\$1,000,000 Employee Theft Per Loss

Deductible Maximum:

\$50,000 Per Loss

Additional Requirements:

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

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

☐ **(viii) Professional Liability (Errors and Omissions)**

(Buyer should check this coverage if the Contractor will perform professional services such as accounting, engineering, legal work, etc. Adjust the amount to reflect the damage likely to occur if the professional service provided is flawed.)

Minimal Limits:

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

Deductible Maximum:

\$50,000 Per Loss

☒ **(ix) Cyber Liability**

(Buyer should check this coverage if the Contractor will have access to personal or corporate information.)

Minimal Limits:

\$1,000,000 Each Occurrence
\$1,000,000 Annual Aggregate

Additional Requirements:

Insurance should cover (a) unauthorized acquisition, access, use, physical taking, identity theft, mysterious disappearance, release, distribution or disclosures of personal and corporate information; (b) transmitting or receiving malicious code via the insured's computer system; (c) denial of service attacks or the inability to access websites or computer systems.

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

☐ **(x) Property Insurance**

(Buyer should check this coverage if the Contractor will have care, custody and control of real property of the State of Michigan. i.e. The Contractor will have exclusive use of State office space.)

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

2.13.2 SUBCONTRACTOR INSURANCE COVERAGE

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

2.13.3 CERTIFICATES OF INSURANCE

Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents are listed as additional insureds as required. The Contractor must provide DTMB-Procurement with all applicable certificates of insurance verifying insurance coverage or providing, if approved, satisfactory evidence of self-insurance as required in Section 2.13.1, Liability Insurance. Each certificate must be on the standard "Accord" form or equivalent and **MUST IDENTIFY THE APPLICABLE CONTRACT OR PURCHASE ORDER NUMBER.**

2.140 INDEMNIFICATION

2.141 GENERAL INDEMNIFICATION

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

2.142 CODE INDEMNIFICATION

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

2.143 EMPLOYEE INDEMNIFICATION

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

2.144 PATENT/COPYRIGHT INFRINGEMENT INDEMNIFICATION

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

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

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

combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contract.

2.145 CONTINUATION OF INDEMNIFICATION OBLIGATIONS

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

2.146 INDEMNIFICATION PROCEDURES

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

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

2.150 TERMINATION/CANCELLATION

2.151 NOTICE AND RIGHT TO CURE

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

2.152 TERMINATION FOR CAUSE

- (a) The State may terminate this contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State
- (b) If this Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under this Contract.
- (c) If the State chooses to partially terminate this Contract for cause, charges payable under this Contract shall be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.
- (d) If the State terminates this Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in this Contract for a termination for convenience.

2.153 TERMINATION FOR CONVENIENCE

The State may terminate this Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any 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 determined by the State. All completed or partially completed Deliverables prepared by Contractor under this Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.
- (c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the

Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.158 RESERVATION OF RIGHTS

Any termination of this Contract or any Statement of Work issued under it by a party must be with full reservation of, and without prejudice to, any rights or remedies otherwise available to the party with respect to any claims arising before or as a result of the termination.

2.160 TERMINATION BY CONTRACTOR

2.161 TERMINATION BY CONTRACTOR

If the State breaches the Contract, and the Contractor in its sole discretion determines that the breach is curable, then the Contractor will provide the State with written notice of the breach and a time period (not less than 30 days) to cure the breach. The Notice of Breach and opportunity to cure is inapplicable for successive and repeated breaches.

The Contractor may terminate this Contract if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under this Contract, (ii) breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for the Contractor to perform the Services, or (iii) does not cure the breach within the time period specified in a written notice of breach. But the Contractor must discharge its obligations under **Section 2.160** before it terminates the Contract.

2.170 TRANSITION RESPONSIBILITIES

2.171 CONTRACTOR TRANSITION RESPONSIBILITIES

If the State terminates this contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor shall comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 180 days. These efforts must include, but are not limited to, those listed in **Section 2.150**.

2.172 CONTRACTOR PERSONNEL TRANSITION

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

2.173 CONTRACTOR INFORMATION TRANSITION

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

2.174 CONTRACTOR SOFTWARE TRANSITION

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

2.175 TRANSITION PAYMENTS

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

2.176 STATE TRANSITION RESPONSIBILITIES

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

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

2.180 STOP WORK

2.181 STOP WORK ORDERS

The State may, at any time, by written Stop Work Order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the Stop Work Order is delivered to Contractor, and for any further period to which the parties may agree. The Stop Work Order must be identified as a Stop Work Order and must indicate that it is issued under this Section. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the Stop Work Order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the Stop Work Order as provided in Section 2.182.

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

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

2.194 CONTINUED PERFORMANCE

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

2.200 FEDERAL AND STATE CONTRACT REQUIREMENTS

2.201 NONDISCRIMINATION

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

2.202 UNFAIR LABOR PRACTICES

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

2.203 WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT

In performing Services for the State, the Contractor shall comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor

shall comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.

2.204 PREVAILING WAGE

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

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

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

2.210 GOVERNING LAW

2.211 GOVERNING LAW

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

2.212 COMPLIANCE WITH LAWS

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

2.213 JURISDICTION

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

2.220 LIMITATION OF LIABILITY

2.221 LIMITATION OF LIABILITY

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. In no event shall the State be liable to Contractor for damages in excess of the total aggregate value of this Contract. Contractor's 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 attorneys' fees awarded by a court in addition to damages after litigation based on this Contract.

2.230 DISCLOSURE RESPONSIBILITIES

2.231 DISCLOSURE OF LITIGATION

Contractor shall disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) shall notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities. The Contractor shall disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements that are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation shall be deemed to satisfy the requirements of this Section.

If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:

- (a) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or
- (b) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
 - (1) Contractor and its Subcontractors will be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and
 - (2) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.
- (c) Contractor shall make the following notifications in writing:
 - (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DTMB-Procurement.
 - (2) Contractor shall also notify DTMB Procurement within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
 - (3) Contractor shall also notify DTMB-Procurement within 30 days whenever changes to company affiliations occur.

2.232 CALL CENTER DISCLOSURE

Contractor and/or all subcontractors involved in the performance of this Contract providing call or contact center services to the State shall disclose the location of its call or contact center services to inbound callers. Failure to disclose this information is a material breach of this Contract.

Call Center is located at 7720 Jefferson Road, Ashtabula, OH 44004

2.233 BANKRUPTCY

The State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish the Works in Process by whatever appropriate method the State may deem expedient if:

- (a) the Contractor files for protection under the bankruptcy laws;
- (b) an involuntary petition is filed against the Contractor and not removed within 30 days;
- (c) the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;
- (d) the Contractor makes a general assignment for the benefit of creditors; or
- (e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under this Contract.

Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process shall be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

2.240 PERFORMANCE

2.241 TIME OF PERFORMANCE

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

2.242 SERVICE LEVEL AGREEMENT (SLA)

- (a) SLAs will be completed with the following operational considerations:
 - (1) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.
 - (2) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.
 - (3) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. To invoke this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.
 - (4) Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following:

- (i) Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.
- (ii) Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.
- (b) Chronic Failure for any Service(s) will be defined as three unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling 30 day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different vendor for the chronic location(s) with Contractor to pay the difference in charges for up to three additional months. The termination of the Service will not affect any tiered pricing levels.
- (c) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor will provide its analysis within two weeks of outage(s) and provide a recommendation for resolution.
- (d) All decimals must be rounded to two decimal places with five and greater rounding up and four and less rounding down unless otherwise specified.

2.243 LIQUIDATED DAMAGES

The parties acknowledge that late or improper completion of the Work will cause loss and damage to the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result. Therefore, Contractor and the State agree that if there is late or improper completion of the Work and the State does not elect to exercise its rights under **Section 2.152**, the State is entitled to collect liquidated damages in the amount of \$5,000.00 and an additional \$100.00 per day for each day Contractor fails to remedy the late or improper completion of the Work.

Unauthorized Removal of any Key Personnel

It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 2.152**, the State may assess liquidated damages against Contractor as specified below.

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

2.244 EXCUSABLE FAILURE

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

If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. But the party must use commercially reasonable efforts to recommence performance whenever and to whatever

extent possible without delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 10 Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance continues; (b) the State may terminate any portion of the Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination. The Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

2.250 APPROVAL OF DELIVERABLES

2.251 DELIVERY OF DELIVERABLES

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

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

2.252 CONTRACTOR SYSTEM TESTING

Reserve

2.253 APPROVAL OF DELIVERABLES, IN GENERAL

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

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

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

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

If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing State approval of a Deliverable, the State may: (i) demand that Contractor cure the failure and give Contractor additional time to cure the failure at the sole expense of Contractor; or (ii) keep this Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, in which event Contractor shall bear any excess expenditure incurred by the State in so doing beyond the contract price for such Deliverable and will pay the State an additional sum equal to ten percent (10%) of such excess expenditure to cover the State's general expenses without the need to furnish proof in substantiation of such general expenses; or (iii) terminate this Contract for default, either in whole or in part by notice to Contractor (and without the need to afford Contractor any further opportunity to cure). Notwithstanding the foregoing, the State shall not use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

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

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

2.254 PROCESS FOR APPROVAL OF WRITTEN DELIVERABLES

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Written Deliverable (failing which the State Review Period, by default, shall be five (5) Business Days for Written Deliverables of one hundred (100) pages or less and ten (10) Business Days for Written Deliverables of more than one hundred (100) pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable prior to its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Written Deliverable is approved in the form delivered by Contractor or describing any deficiencies that 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

Reserve

2.256 FINAL ACCEPTANCE

"Final Acceptance" shall be considered to occur when all systems have been deployed and tested and approved operational by the State.

2.260 OWNERSHIP

2.261 OWNERSHIP OF WORK PRODUCT BY STATE

The State will own all the Live Scan systems deployed.

2.262 VESTING OF RIGHTS

From time to time upon the State's request, the Contractor must confirm the assignment by execution and delivery of the assignments, confirmations of assignment, or other written instruments as the State may request. The State may obtain and hold in its own name all copyright, trademark, and patent registrations and other evidence of rights that may be available for Deliverables.

2.263 RIGHTS IN DATA

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

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

regulations applicable to the personally identifiable information. Other material developed and provided to the State remains the State's sole and exclusive property.

2.264 OWNERSHIP OF MATERIALS

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

2.270 STATE STANDARDS

2.271 EXISTING TECHNOLOGY STANDARDS

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

2.272 ACCEPTABLE USE POLICY

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

2.273 SYSTEMS CHANGES

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

2.274 ELECTRONIC RECEIPT PROCESSING STANDARD

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

2.280 EXTENDED PURCHASING PROGRAM

2.281 EXTENDED PURCHASING PROGRAM

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

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

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

2.290 ENVIRONMENTAL PROVISION

2.291 ENVIRONMENTAL PROVISION

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

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

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

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

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

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

Labeling: Michigan has a Consumer Products Rule pertaining to labeling of certain products containing volatile organic compounds. For specific details visit http://www.michigan.gov/deq/0,1607,7-135-3310_4108-173523--_00.html

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

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

2.300 DELIVERABLES

2.301 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 attachment also identifies certain items of software to be provided by the State.

2.302 HARDWARE

A list of the items of hardware the State is required to purchase for 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 attachment 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 1 year. In the event of a breach of this warranty, Contractor will promptly correct the affected Deliverable(s) at no charge to the State.

2.312 NO SURREPTITIOUS CODE WARRANTY

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

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

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

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

2.313 RESERVED

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 LICENSING

2.321 RESERVED

2.322 RESERVED.

2.323 LICENSE BACK TO THE STATE

2.324 LICENSE RETAINED BY CONTRACTOR

2.325 PRE-EXISTING MATERIALS FOR CUSTOM SOFTWARE DELIVERABLES

Neither Contractor nor any of its Subcontractors shall incorporate any preexisting materials (including Standard Software) into Custom Software Deliverables or use any pre-existing materials to produce Custom Software Deliverables if such pre-existing materials will be needed by the State in order to use the Custom Software Deliverables unless (i) such pre-existing materials and their owners are identified to the State in writing and (ii) such pre-existing materials are either readily commercially available products for which Contractor or its Subcontractor, as the case may be, has obtained a license (in form and substance approved by the State) in the name of the State, or are materials that Contractor or its Subcontractor, as the case may be, has the right to license to the State and has licensed to the State on terms and conditions approved by the State prior to using such pre-existing materials to perform the Services.

2.400 State Data and Confidentiality

2.401 OWNERSHIP

The State's data ("**State Data**," which will be treated by Contractor as Confidential Information) includes: (a) the State's data collected, used, processed, stored, or generated as the result of the Deliverables/Services; (b) personally identifiable information ("PII") collected, used, processed, stored, or generated as the result of the Deliverables/Services, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements here listed; State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State. This Section 2.401 survives termination or expiration of this Contract.

2.402 CONTRACTOR USE OF STATE DATA

Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Deliverables/Services, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Deliverables/Services. Contractor must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Deliverables/Services, such use and disclosure being in accordance with this Contract, any applicable Statement of Work, and applicable law; and (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor's own purposes or for the benefit of anyone other than the State without the State's prior written consent. This Section 2.402 survives termination or expiration of this Contract.

2.403 EXTRACTION OF STATE DATA

Contractor must, within three (3) Business Days of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Contractor), an extract of any State Data maintained by Contractor in the format specified by the State.

2.405 DISCOVERY

Contractor shall immediately notify the State upon receipt of any requests which in any way might reasonably require access to State Data hosted by Contractor or otherwise in Contractor's possession. Contractor shall notify the State Project Manager by the fastest means available and also in writing. In no event shall Contractor provide such notification more than twenty-four (24) hours after Contractor receives the request. Contractor shall not respond to subpoenas, service of process, FOIA requests, and other legal requests related to the State without first notifying the State and obtaining the State's prior approval of Contractor's proposed responses. Contractor agrees to provide its completed responses to the State with adequate time for State review, revision and approval.

2.406 LOSS OF DATA

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

and, information regarding the credit and identity monitoring services to be provided by Contractor. The State will have the option to review and approve any notification sent to affected individuals prior to its delivery. Notification to any other party, including but not limited to public media outlets, must be reviewed and approved by the State in writing prior to its dissemination. This Section 2.405 survives termination or expiration of this Contract.

2.407 HIPAA COMPLIANCE Reserved

2.410 Confidential Information

2.411 ACKNOWLEDGEMENT

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

2.412 MEANING OF CONFIDENTIAL INFORMATION

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

2.413 OBLIGATION OF CONFIDENTIALITY

The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. Confidential Information provided to Contractor by the State under its performance under this Contract must remain in the United States and cannot be stored or transmitted outside of the United States. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to the Contractor's subcontractor is permissible where: (a) the subcontractor is approved in writing by the State or is an affiliate; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the subcontractor's responsibilities; 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 of the Contractor's Representatives may be required to execute a separate agreement to be bound by the provisions of this Section 2.413.

2.414 COOPERATION TO PREVENT DISCLOSURE OF CONFIDENTIAL INFORMATION

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

2.415 REMEDIES FOR BREACH OF OBLIGATION OF CONFIDENTIALITY

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

2.416 SURRENDER OF CONFIDENTIAL INFORMATION UPON TERMINATION

Upon termination or expiration of this Contract or a Statement of Work, in whole or in part, each party must, within five (5) calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which is in such party's possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described in Section 2.403 and 2.404 of this Contract. If Contractor or the State determine that the return of any non-State Data Confidential Information is not feasible, such party must destroy the non-State Data Confidential Information and certify the same in writing within five (5) calendar days from the date of termination to the other party.

2.420 Data Privacy and Information Security

2.421 UNDERTAKING BY CONTRACTOR

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

2.422 RIGHT OF AUDIT BY STATE

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

2.423 *AUDIT FINDINGS*

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

2.424 *STATE'S RIGHT TO TERMINATE FOR DEFICIENCIES*

The State reserves the right, at its sole election, to immediately terminate this Contract or the Statement of Work without limitation and without liability if the State determines that Contractor fails or has failed to meet its obligations under Section 2.420.

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).
2D	Two Dimensional
ADA	American with Disabilities Act
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.
AFIS	Automated Fingerprint Identification System
ANSI	American National Standards Institute
ANSI/NIST-ITL	Standard for Exchange of Biometric Data
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.
CHIS-RS	FBI Electronic Fingerprint Specification
Chronic Failure	Defined in any applicable Service Level Agreements.
CJIS	Criminal Justice Information Services
Deliverable	Physical goods and/or commodities as required or identified by a Statement of Work
DPI	Dots Per Inch
DTMB	Michigan Department of Technology, Management and Budget
EBT(S)	Electronic Biometric Transmission Specification
EFT	Electronic Fund Transfer
EST	Eastern Standard Time

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.
FBI	Federal Bureau of Investigation
FIPS	Federal Information Processing Standard
FOIA	Freedom of Information Act
GUI	Graphic User Interface
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).
HQ	Headquarters
IAFIS	International Automated Fingerprint Identification System
Incident	Any interruption in Services.
IQS	Image Quality Specification
IT	Information Technology
ITB	A generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the RFP to potential Contractors
Key Personnel	Any Personnel designated in Article 1 as Key Personnel.
LGNet	Local Government Network
MCL	Michigan Compiled Law
MDTMB	Michigan Department of Technology, Management and Budget
MIDEAL	Michigan Deal – A program that allows local agencies to buy from a state contract
MSP	Michigan State Police
NCIC	National Crime Information Center
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.
NIST	National Institute of Standards
OEM	Original Equipment Manufacturer
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
PMM	Project Management Methodology
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.
PO	Purchase Order
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.
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
RMS	Records Management System
SecurID	State Security Standard for external network access and High Risk Web Systems
Services	Any function performed for the benefit of the State.

SFTP	Secure File Transfer Protocol
SLA	Service Level Agreement
SME	Subject Matter Expert
SMT	Scars, Marks and Tattoos
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.
SPOC	Single Point of Contact
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.
SUITE	State Unified Information Technology Environment
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.
WBS	Work Breakdown Structure
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.
WSQ	Wavelet Scaler Quantization

ATTACHMENT A. MSP LIVESCAN BUSINESS REQUIREMENTS

MSP LiveScan Project

Comments

The requirements include a column for comments to expand in writing on the functionality of the solution.

Definitions

Mandatory - the requirement must be present in the proposed solution, exactly as stated.

Expected - the requirement should be present in the proposed solution, exactly as stated.

Optional - the requirement will be present in the proposed solution or provided through an alternative approach or future enhancement.

Column Explanations

Column A

This column indicates a numeric sequence of each function.

Column B

This column describes the function(s) desired in the parts and maintenance program.

Column C

This column indicates if a particular requirement is Mandatory, Expected or Optional.

Column D

This column indicates whether the Contractor complies with a particular requirement.

Column E

This column indicates how the Contractor complies with a particular requirement.

- A. Currently provided within the standard service.
- B. Currently provided as an enhancement to standard service at no additional cost.
- C. Currently provided as an enhancement to standard service at an additional cost detailed in the cost proposal.
- D. Not currently provided but will be added at the additional cost detailed in the cost proposal.
- E. Service will not be provided.

Column F

This column is provided for Contractors to provide any additional information related to the solution.

A	B	C	D	E	F
Req. No.	Requirement	Mandatory (M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D, E)	Comments
1.0	The scanners must be FBI certified and scan and submit to the Michigan AFIS at 500 ppi resolution.	M	Yes	A	ID Networks understands and complies with the requirement. Our solution includes the Cross Match 500P Palm scanner that is FBI Appendix F certified at 500 ppi.
2.0	The contractor must provide replacement, support, and maintenance for all live scan devices with data, fingerprint, palm print, and photo capture purchased throughout the life of the contract.	M	Yes	A	ID Networks understands and complies with this requirement. We will provide replacement and maintenance for these systems.
3.0	The contractor should provide support and maintenance, or replacement and maintenance for one (1) card scan system at MSP HQ. This system is used for production and testing of data entry (criminal and applicant), fingerprint card scanning, and palm scanning.	E	Yes	A	ID Networks understands and complies with this requirement. Replacement of this system is unnecessary at this time. We will continue to provide support and maintenance for the card scan system.
4.0	The contractor will be expected to provide support and maintenance, or replacement and maintenance of two laptop finger capture only devices at the MSP Training Academy.	M	Yes	A	ID Networks understands and complies with this requirement. These systems were purchased in 2013. Replacement of these systems is unnecessary at this time. We will continue to provide support and maintenance for the existing Laptops and fingerprint scanners, and provide any hardware replacement necessary to support the version of FingerRoll Livescan software that would be delivered with this contract at NO additional cost.

A	B	C	D	E	F
Req. No.	Requirement	Mandatory (M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D, E)	Comments
5.0	The contractor should provide support and maintenance, or replacement and maintenance for one (1) desktop live scan with data, finger, palm, and photo capture capability located in a multi-jurisdictional law enforcement facility.	E	Yes	A	ID Networks understands and complies with this requirement. We will provide replacement and maintenance for this system.
6.0	Compliant with Wavelet Scalar Quantization Grayscale Fingerprint Image Compression Specifications (IAFIS-1C-010 v3.1 October 1, 2010).	M	Yes	A	ID Networks understands and complies with the requirement. We use Aware's FBI certified WSQ algorithm
7.0	Compliant with ANSI Data Format for the Interchange of Fingerprint, Facial & SMT Information (ANSI/NIST-ITL 1-2011).	M	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
8.0	Certified as compliant to FBI Electronic Fingerprint Transmission Specification (CHIS-RS-0010 (V7.1). Including FBI Appendix F Image quality specifications (rather than the lesser quality, interim FBI Appendix G requirements).	M	Yes	A	ID Networks understands and complies with the requirement. Our live scan solution is FBI Appendix F certified on the FBI IAFIS certified product list.
9.0	Compliant with the Michigan Live Scan Interface Specifications, using SFTP.	M	Yes	A	ID Networks understands and complies with the requirement. We are certified and approved by both the FBI and MSP.
10.0	Compliant with Michigan EBTS version dated June 25, 2014.	E	Yes	A	ID Networks understands and will comply with the requirement.
11.0	Must be a current Michigan tested and approved Live Scan vendor.	M	Yes	A	ID Networks understands and complies with the requirement. We are certified and approved by both the FBI and MSP.

A	B	C	D	E	F
Req. No.	Requirement	Mandatory (M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D, E)	Comments
12.0	The contractor software should be able to operate with the state's anti-virus software.	E	Yes	A	ID Networks understands and complies with the requirement. We will be able to work with whatever anti-virus software the state chooses.
13.0	The vendor must provide data encryption at rest for all data captured. Encryption at rest needs to be the most current FIPS certified (currently FIPS A197 Certified, 256 bit as describe in the National Security Agency Suite B cryptography list of approved algorithm). All audit files must be maintained for at least one year.	M	Yes	A	ID Networks understands and complies with the requirement. Our solution will use the AES encryption algorithm in cipher block chaining (CBC) mode with a 256-bit key.
System Environment					
14	System Environment				
14.1	The fingerprint capture device should have a capture plate that can be easily cleaned and disinfected between print capture sessions.	E	Yes	A	ID Networks understands and complies with the requirement. A silicone pad covers the capture platen. The pad is cleaned using cleaning tape. Initial stock will be provided with each system.
14.2	The system should be rugged enough to withstand use normally expected in a law enforcement booking environment.	E	Yes	A	ID Networks understands and complies. The Cross Match 500P Palm Scanner has a rugged, lightweight design, built for officer safety in mind.
15	Fingerprint Capture Device				
15.1	The fingerprint capture device should include features to minimize slippage and sliding of fingers when rolling prints on the capture plate. The system should be FBI Appendix F certified with these features in use.	E	Yes	A	ID Networks understands and complies with the requirement. The Cross Match 500P Palm Scanner uses a silicone membrane to minimize slippage and sliding fingers. The Cross Match 500P is Appendix F certified with the silicone membrane.

A	B	C	D	E	F
Req. No.	Requirement	Mandatory (M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D, E)	Comments
15.2	The fingerprint capture device should include features to enhance fingerprint ridge patterns in order to capture images while eliminating the need for excessive pressure on the finger being printed. The system should be FBI Appendix F certified with these features in use.	E	Yes	A	ID Networks understands and complies with the requirement. The Cross Match 500P Palm Scanner uses a silicone membrane to enhance ridge definition. Silicone membranes enhance fingerprint images regardless of skin condition—requiring less finger pressure to capture prints. The result is less distortion and more accurate, high-quality images. The Cross Match 500P is FBI Appendix F certified with the silicone membrane.
15.3	The fingerprint capture device must support full nail-to-nail capture of rolled prints.	M	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
15.4	The fingerprint capture device must support the capturing of six palm images consisting of right and left upper palm, right and left lower palm, along with the writer's palm from both the right and left hands.	M	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
15.5	The fingerprint capture device should capture self-pacing rolled prints rolled in either direction.	E	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
15.6	The fingerprint capture device should be capable of obtaining clear fingerprint images from fingers that are stained by inks, dyes, or blood	E	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
15.7	The fingerprint capture device should include a heated capture plate capable of eliminating condensation on the plate	O			Remove 15.7 entirely

A	B	C	D	E	F
Req. No.	Requirement	Mandatory (M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D, E)	Comments
15.8	The fingerprint capture device should provide real-time feedback to the operator indicating whether changes to the pressure applied to a finger on the capture plate will result in a higher quality image	E	Yes	A	ID Networks understands and complies with the requirement. The L Scan 500P has a unique interactive LCD display that makes the scanner simple and intuitive to use. Two smart buttons and descriptive icons enhance operation by providing immediate feedback on the scanner, making the capture sequence faster, easier, and safer for law enforcement officers.
15.9	The fingerprint capture device must be capable of performing an automated calibration upon operator initiation. The device must not require additional calibration after initial installation under normal operation. (Manual placement of various targets on the capture surface is not acceptable as automated).	M	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
16.0	Fingerprint Capture System				
16.1	The system should incorporate a user interface designed for ease of use with minimal need for mouse or keyboard. Fingerprint capture should be possible with no mouse, keyboard, or system display access.	E	Yes	A	ID Networks understands and complies with the requirement. The L Scan 500P has a unique interactive LCD display that makes the scanner simple and intuitive to use. Two smart buttons and descriptive icons enhance operation by providing immediate feedback on the scanner, making the capture sequence faster, easier, and safer for law enforcement officers.
16.2	The system should be configurable to allow the taking of all prints entirely from one hand before moving on to the other hand.	E	Yes	A	ID Networks understands and complies with the requirement. Our system will support this functionality.

A	B	C	D	E	F
Req. No.	Requirement	Mandatory (M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D, E)	Comments
16.3	The system should provide drop down menus to provide operator help for data fields where specific entries are required. Context-based help screens should also be provided for all major functions of the system.	E	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
16.4	Any tables referenced, whether to populate drop down boxes or used for other data should be configurable and MSP should be provided an adequate means to be able to update them	E	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
16.5	The displayed demographics should be configurable with the ability to remove and/or hide fields if already populated by a booking system or in otherwise needed	E	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
16.6	The system should allow an administrator to default fields and hide fields if not needed for data entry	E	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
16.7	The data should be able to be exported to other systems, as MSP is going to a single entry model.	E	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
16.8	The system shall prompt the operator to collect flat and rolled fingerprints in the correct sequence with prompts indicating correct finger on both the system display and the capture device.	M	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
16.9	The system must provide immediate quality control feedback to the operator on each individual fingerprint image captured	M	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.

A	B	C	D	E	F
Req. No.	Requirement	Mandatory (M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D, E)	Comments
16.10	Contractor must indicate what hardware they will be using to bid. MSP reserves the right to test scanner quality and it will likely be a major factor in the score of the overall solution.	E	Yes	A	ID Networks understands and complies with the requirement. Our solution includes the Cross Match 500P Palm scanner that is FBI Appendix F certified at 500 ppi.
16.11	An override of unacceptable fingerprint quality should be allowed after third capture of a finger when unacceptable quality indicator was received	E	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
16.12	The system should provide an auto-capture mode in which the system captures an image as soon as the quality of the image is acceptable and proceeds to prompt for the next fingerprint, all with no operator input required. This should be configurable so it can be automated or so that the user can override it with a manual capture process. The default should be auto-capture.	E	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
16.13	The system must provide fully automated comparison of each plain impression image against all other plain impression images to ensure uniqueness of each plain impression image captured.	M	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
16.14	The system must provide fully automatic comparison of each rolled image against the corresponding plain impression, to ensure proper placement and no erroneous capture, before data is forwarded to AFIS or output to a card	M	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.

A	B	C	D	E	F
Req. No.	Requirement	Mandatory (M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D, E)	Comments
16.15	The system should provide a preview of the fingerprint area of the card. The operator should have the ability to view a zoomed image and to recapture prints of insufficient quality, as many times as required to capture a print that will be acceptable to the system	E	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
16.16	The system should be capable of capturing a full set of quality-checked plain and rolled fingerprint images along with 6 palm images in less than 3 minutes in normal operation	E	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
16.17	The capture system must provide compression of images at the workstation, prior to transfer to AFIS, allowing more efficient use of the AFIS network. Compression shall use an FBI-certified WSQ algorithm.	M	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
16.18	The system must provide means to annotate missing digits or impossible or missing ridge structure	M	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
16.19	The device should be configured with a configurable automatic delete feature to delete successful transactions that go beyond the configurable time period. Default should be set to 6 months	E	Yes	A	ID Networks understands and complies with the requirement. Our system will support this functionality.
16.20	The device should have separate configurable thresholds for acceptable prints from both the fingers and the palms.	E	Yes	A	ID Networks understands and complies with the requirement. Our system will support this functionality.

A	B	C	D	E	F
Req. No.	Requirement	Mandatory (M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D, E)	Comments
17.0	System Administrations				
17.1	System should provide for inactive use auto lock or log off, if person is signed on but system is not in use.	E	Yes	A	ID Networks understands and complies with the requirement. Our system will support this functionality.
17.2	System should provide for auto saves to help insure minimal data is lost if system is interrupted, power loss etc.	E	Yes	A	ID Networks understands and complies with the requirement. Our system will support this functionality.
17.3	The system should have remote diagnostic capability and administrative password and functionality assigned to the Live Scan Unit.	E	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
17.4	The system must have the capability to direct separate images to predetermined locations (i.e.: images to AFIS and images to printed form).	M	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
17.5	The system should be installed by the vendor and include user-installable capability and instructions. All hardware components and software should be installed and configured before delivery.	E	Yes	A	ID Networks understands and complies with the requirement. All hardware and software is tested and configured in-house prior to delivery and installation.
17.6	The system should include a full set of user, administrator, and technical documentation, and a training video allowing a user to become self-trained on the full operation of the system. The system should include options for additional training at the user location.	E	Yes	A	ID Networks understands and complies with the requirement. Training material will be provided.

A	B	C	D	E	F
Req. No.	Requirement	Mandatory (M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D, E)	Comments
17.7	The contractor should provide every station with a list of error codes, definition of error codes, with a solution of how to fix those errors and who to call if there are issues.	E	No	E	Any error that would be generated means that the system is in an unexpected operating condition and a trained, skilled technician is required to intervene. User level knowledge is insufficient in this situation. When errors are generated, users can follow the support procedures provided in Section 1.104, B. LiveScan Maintenance.
17.8	Any errors in the Live Scan process should be prominently displayed to user on the screen in layman's terms. This message should consist of what the error was and how to resolve the issue. The error code should match the error code list in the previous requirement	E	No	E	See comments for 17.7
17.9	The system must be capable of attaching multiple images such as mug shots, scars, marks and tattoos.	M	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
17.10	The system should include options for creating secure credentials for identity verification based on the fingerprint images captured	O	Yes	D	Not currently provided but will be provided at NO additional cost when available.
17.11	The Live Scan system should have the capability to produce data for management reports showing system usage, operators using the system, calibration, etc.	E	Yes	A	ID Networks understands and complies with the requirement. Our system will support this functionality.

A	B	C	D	E	F
Req. No.	Requirement	Mandatory (M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D, E)	Comments
17.12	Each Live Scan station should have a site packet that has an itemized equipment list that includes the manufacturer, model, serial number, device description, software version level, release date of the software version, and performance specifications, and installation instructions.	E	Yes	A	ID Networks understands and will comply with the requirement.
17.13	The contractor should provide documentation for backup procedures, frequency of backups, recalibration frequency, and any other applicable and appropriate operating recommendations and guidelines	E	Yes	A	ID Networks understands and will comply with the requirement.
18.0	System Printing				
18.1	The system shall be capable of producing a ten-print and palm print cards meeting Michigan specifications, including image quality.	M	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
18.2	The system should be able to print all FBI and State fingerprint cards. .	E	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
18.3	The system should be capable of producing multiple copies of the any fingerprint card without intervention by the operator.	E	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
18.4	The fingerprint images as well as demographic data should be printed in appropriate areas of the currently used fingerprint cards.	E	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
19.0	Demographics Input				

A	B	C	D	E	F
Req. No.	Requirement	Mandatory (M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D, E)	Comments
19.1	The system should have an option to interface with local record management or automated booking systems for the purpose of electronic transfer of demographic data with the Live Scan to eliminate double entry of data.	E	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
19.2	The contractor should supply driver's license readers to capture and collect personal data for the Live Scan process to eliminate double entry of data. This can be done via 2D bar code or data image recognition.	E	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
19.3	The system should validate all demographic data entered by any means (RMS interface, data entry, data scan, etc.) to ensure that it meets the content and format requirements.	E	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
19.4	The system should allow a configurable interface allowing the adding and removing of fields, defaulting fields, expanding or modifying tables, or hiding fields that are defaulted but still required in the live scan submission through an Administrative screen.	E	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
19.5	Driver's license scanners should be able to scan all types of Michigan Driver's Licenses that have the ability to be scanned and parse the information into the appropriate field	E	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
20.0	AFIS Interface				

A	B	C	D	E	F
Req. No.	Requirement	Mandatory (M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D, E)	Comments
20.1	The system must have the capability of direct interface with the Michigan AFIS.	M	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
20.2	The capture station should display the transmission status of completed captures on the system display. Transactions that cannot be transmitted immediately must be stored for future transmission.	M	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
20.3	The Live Scan application should display a pop-up message over all screens upon anything but a return code of R000. This message should be displayed at regular intervals until the error is corrected. Also the transactions completed successfully should be displayed on the history screen in a pre-established color (ex – light green) and an unsuccessful transaction in a different color (ex – red).	E	Yes	A	ID Networks understands and can comply with this requirement if necessary. Further discussion is recommended.
20.4	The system should allow MSP the ability to add edits if needed.	E	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality.
20.5	All audited information must be maintained a minimum of one year.	M	Yes	A	ID Networks understands and complies with the requirement. Our system already supports this functionality. All information is maintained perpetually (we exceed this requirement).
21.0	LiveScan Maintenance				

A	B	C	D	E	F
Req. No.	Requirement	Mandatory (M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D, E)	Comments
21.1	The contractor should have an established field service support organization in the state, and be able to provide support services either 24 hours/7 days or 8 hours/5 days, or any other combination as negotiated between the agency and the vendor. The vendor should have demonstrated an ability to provide response on-site and help-desk support.	E	Yes	A	ID Networks understands and complies with the requirement. ID Networks has an outstanding track record in supporting MSP agencies both remotely and onsite.
21.2	The Help Desk should be accessible 24 hours a day, 7 days a week.	E	Yes	A	ID Networks understands and will comply with the requirement.
21.3	Provide information on the location and numbers of support lines and/or support technicians. ..	E	Yes	A	ID Networks understands and will comply with the requirement.
21.4	Help Desk support should be available, both through a toll-free number and by email.	E	Yes	A	ID Networks understands and will comply with the requirement.
21.5	The Help Desk should be able to troubleshoot any reported problem within two (2) hours of the submission of the problem. If a resolution is not in place after 4 hours, an escalation process should begin and updates made to the site and to the Live Scan Unit every 2 hours, thereafter during business hours. The location of the helpdesk should be disclosed and per security rules must always be within the continental United States.	E	Yes	A	ID Networks understands and will comply with the requirement.

A	B	C	D	E	F
Req. No.	Requirement	Mandatory (M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D, E)	Comments
21.6	Any issue where an agency cannot submit fingerprints due to a Live Scan problem, that extends beyond 3 business days may be subject to a credit of 5% one-time fee and 1% per day credit from the next maintenance payment until the issue is resolved. This will be credited towards the following year's maintenance payment for that device.	E	No	A	ID Networks understands and will comply with the requirement as long as the issue is related to the LiveScan. Our experience has told us that most cases involving submission problems come from networking or State/MSP issues. We will not be responsible for those cases.
21.7	On-site problem resolution and assistance for unresolved problems should be provided no later than noon Eastern Time Zone of the next regular workday following the submission of the problem report.	E	Yes	A	ID Networks understands and will comply with the requirement.
21.8	The Help Desk should be the single point of contact for problem reporting, problem resolution, and status tracking.	E	Yes	A	ID Networks understands and will comply with the requirement.
21.9	The contractor should document the site preparation requirements for installation of the proposed equipment.	E	Yes	A	ID Networks understands and will comply with the requirement.
21.10	Include all technical or descriptive material, drawing, sample, format, or discs that are required with the bid.	E	Yes	A	ID Networks understands and will comply with the requirement.
21.11	Patches that are determined to be needed are to be pushed to the Live Scan Sections machine for testing and then pushed to the field, when determined that there are no issues.	M	Yes	A	ID Networks understands and will comply with the requirement.

A	B	C	D	E	F
Req. No.	Requirement	Mandatory (M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D, E)	Comments
21.12	A warranty period of 1 year for each deployed system will be entered into upon the completion of the installation. The warranty will guarantee the satisfaction of MSP with the installation and operation of the Live Scan system.	E	Yes	A	ID Networks understands and will comply with the requirement.
21.13	All tickets not resolved within the first four hours of contact should provide updates to both the site and updates emailed to MSPLIVESCAN@michigan.gov .	E	Yes	A	ID Networks understands and will comply with the requirement.
21.14	Background checks will be required on all persons who request remote access to the Live Scan systems.	M	Yes	A	ID Networks understands and will comply with the requirement.

ATTACHMENT B. PRELIMINARY PROJECT PLAN

INTRODUCTION

ID Networks is pleased to provide the Michigan State Police with a preliminary project plan for the Live Scan Project. This document shall be updated and refined during the course of the project execution.

Purpose

The purpose of this document is to provide details on the tasks to be completed with deployment plans, schedules, and strategies to successfully deliver the new Live Scan systems at the designated MSP locations.

Scope

ID Networks plans for a group based implementation and delivery approach that will be the least intrusive to current operations. This approach mitigates risk and provides for an orderly installation with gating steps: upon completion of each grouped deployment, the deployment is reviewed to ensure the next deployment is ready to proceed.

These deployments may be further refined as necessary. Each implementation consists of the same tasks, repeated for each group. This repeated methodology, combined with proper initial planning, will ensure a successful deployment. ID Networks has planned for 1 week of project planning, 5 weeks for deployment, and 2 weeks for project closure tasks. The following sections describe the tasks performed for each deployment group.

Project Planning

The Project Planning phase begins upon contract award and execution, and consists of the following key tasks:

Table 1: Project Planning Phase Key Tasks

PROJECT TASK	DESCRIPTION
Project Kick-Off / Orientation	The Project Kick-Off / Orientation Meeting serves as an introduction of the respective project management teams. The schedule and planning tasks are reviewed, and the goals of the project confirmed. During this meeting, the technical and functional requirements are reviewed. Questions and clarifications must be resolved before proceeding with the implementation.

PROJECT TASK	DESCRIPTION
Live Scan Rollout Meeting	Before beginning the Live Scan deployments, the stakeholders for each location are briefed on the mechanics of the implementation. The schedule of tasks is reviewed and confirmed.

Project Deployment

The Project Deployment phase begins upon completion of the rollout meeting and consists of the following key tasks. The entire set of deployment tasks is repeated for each of the 5 implementation groups. Prior to beginning the next implementation, the project management teams shall review the previous deployment and confirm preparedness for the next phase.

Table 2: Project Deployment Phase Key Tasks

PROJECT TASK	DESCRIPTION
Shipment and Receipt of Equipment at Location	Upon completion of the Site Survey, the previously loaded and staged equipment is shipped to the site. Installation will begin at a predetermined and mutually agreed upon time with customer.
Onsite System Installation and Configuration	The system shall be installed and site specific configurations are verified. A site installation report is created and reviewed with the site owner.
System Training	Upon the system being certified by our engineers, training commences, using the actual equipment. This practice serves as an additional validation prior to acceptance testing.
Acceptance Testing (AT)	Upon completion of training, the Acceptance Test Plan is executed and the installation is certified ready for production use.
System Go-Live	Go-Live is scheduled upon completion of a successful Acceptance Test. This event is always scheduled in close proximity to AT and training – this allows users to quickly put their newly learned skills to use.
Start of Maintenance	Upon completion of all implementation groups, the maintenance schedule for all sites shall begin.

Post-Implementation Tasks

Upon the deployment to all locations, a series of Post-Implementation Tasks are conducted as follows:

Table 3: Post-Implementation Tasks

PROJECT TASK	DESCRIPTION
Account Management	The Maintenance and Support team is introduced to the project stakeholders and managers. On-going support procedures are reviewed and published.
Remediation as Required	If any deficiencies have been identified with the deployed solution, plans for remediation are reviewed and executed.
Project Closure	Administrative paperwork and certifications are completed, including the issuance of a Certificate of Final Acceptance.

LIVE SCAN IMPLEMENTATION PLAN – 8 WEEKS

ID Networks recommends the following implementation plan for an 8 week live scan project. The live scan delivery will be divided into 5 functional groups.

STAGE	TASK	LOCATIONS	WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5	WEEK 6	WEEK 7	WEEK 8
Project Administration	Contract Award	TBD								
	Project Kickoff / Orientation Meeting									
	LiveScan Rollout Meeting									
Livescan Delivery	Site Survey	Paw Paw Post Niles Post Jackson Post Adrian Post								
	Shipment and receipt of equipment at location									
	Onsite system installation and configuration									
	System training									
	Acceptance Testing									
	System Go-Live									
Livescan Delivery	Site Survey	Lansing Post Negaunee Post Newaygo Post								
	Shipment and receipt of equipment at location									
	Onsite system installation and configuration									

STAGE	TASK	LOCATIONS	WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5	WEEK 6	WEEK 7	WEEK 8
	System training									
	Acceptance Testing									
	System Go-Live									
Livescan Delivery	Site Survey	Oak Park Post Taylor Post Detroit Post Pontiac Post								
	Shipment and receipt of equipment at location									
	Onsite system installation and configuration									
	System training									
	Acceptance Testing									
	System Go-Live									
Livescan Delivery	Site Survey	Lapeer Post Flint Post Brighton Post Richmond Post								
	Shipment and receipt of equipment at location									
	Onsite system installation and configuration									
	System training									
	Acceptance Testing									
	System Go-Live									
Livescan Delivery	Site Survey	Lansing Training (2) MSP HQ (Card Scan) Multi Jurisdictional System								
	Shipment and receipt of equipment at location									
	Onsite system installation and configuration									
	System training									

STAGE	TASK	LOCATIONS	WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5	WEEK 6	WEEK 7	WEEK 8
Post-Implementation	Acceptance Testing									
	System Go-Live									
	Account Management									
	Additional time for unforeseen events									
	Maintenance begins									
	Project Closure									

ATTACHMENT C. COST TABLE

All One-time Costs include all charges, including but not limited to configurations, installation, training, documentation, project management, etc. The State shall not pay for any shipping costs. The Contractor is committed to hold all One-time and Recurring costs per year listed below at the same annual rate for the duration of the Contract, including all Option Years.

Initial 19 New Live Scan Systems One-Time Cost.

Product Item	Cost per Item	Quantity	Extended Cost
LiveScan/Desktop (includes Fingerprint/Palmprint Scanner, Desktop Computer, Mug Shot Camera and FBI Approved Printer Driver's License Scanner and functional software)	\$11,995.00	18	\$215,910.00
Flatbed Scanner (includes functional software)	\$2,495.00	1	\$2,495.00
Virus Protection	\$49.00	19	\$931.00
Total Cost			\$219,336.00

Initial 19 New Live Scan Systems Recurring Costs- Maintenance and Support for the new and existing systems.

Maintenance and Support	Cost per Year	Quantity	Extended Cost	Comment
LiveScan/Desktop (includes Fingerprint/Palmprint Scanner, Desktop Computer, Mug Shot Camera and FBI Approved Printer Driver's License Scanner and functional software)	\$1,750	19	\$33,250.00	Quantity includes 18 new and 1 existing System
Flatbed Scanner (includes functional software)	\$495.00	2	\$990.00	Quantity includes 1 new and 1 existing System
LiveScan/Laptop (includes Fingerprint Scanner, Laptop Computer, Driver's License Scanner and functional software)	\$1,495.00	2	\$2,990.00	Quantity includes 2 existing
Total Cost			\$37,230.00	

Full Product and Support Listing Costs for Future Purchases

One-Time Costs

Price discounts apply when items are purchased in one order.

Product Item	
LiveScan/Desktop (includes Fingerprint/Palmprint Scanner, Desktop Computer, Mug Shot Camera and FBI Approved Printer Driver's License Scanner and functional software)	
Quantity	Cost per Item
1 system	\$15,495
2 - 5 systems	\$14,995
6 -10 systems	\$14,995
11 - 20 systems	\$11,995
21 +	\$11,995

Product Item	
LiveScan/Laptop (includes Fingerprint Scanner, Laptop Computer, Driver's License Scanner and functional software)	
Quantity	Cost per Item
1 system	\$7,995
2 - 5 systems	\$6,995
6 -10 systems	\$6,995
11 - 20 systems	\$6,495
21 +	\$6,495

Product Item	Cost per Item
Flatbed Scanner (includes functional software)	\$2,495.00
Virus Protection	\$49.00

Recurring Costs

Price discounts apply when items are purchased in one order.

Maintenance and Support	
LiveScan/Desktop (includes Fingerprint/Palmprint Scanner, Desktop Computer, Mug Shot Camera and FBI Approved Printer Driver's License Scanner and functional software)	
Quantity	Cost per Item per Year
1 system	\$3,495
2 - 5 systems	\$3,295
6 -10 systems	\$3,295
11 - 20 systems	\$1,750
21 +	\$1,750

Maintenance and Support	
LiveScan/Laptop (includes Fingerprint Scanner, Laptop Computer, Driver's License Scanner and functional software)	
Quantity	Cost per Item per Year
1 system	\$1,995
2 - 5 systems	\$1,495
6 -10 systems	\$1,495
11 - 20 systems	\$1,495
21 +	\$1,495

Maintenance and Support	Cost per Item per Year
Flatbed Scanner (includes functional software)	\$495.00