



**STATE OF MICHIGAN**  
**Department of Technology, Management and Budget**  
**Procurement**

Request for Proposal No. 22000001760  
 UIA Unemployment Insurance Solution RFP

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This is a Request for Proposal for UIA Unemployment Insurance Solution

Anticipated Timeline

Event	Time	Date
RFP Issue Date	N/A	Wednesday, March 23 <sup>rd</sup> , 2022
RFP Pre-Proposal Meeting	1:00 p.m. Eastern	Thursday, April 7 <sup>th</sup> , 2022
Deadline for Bidder to Submit Questions	3:00 p.m. Eastern	Wednesday, April 13 <sup>th</sup> , 2022
Anticipated Date the State will Post Answers to Bidder Questions	3:00 p.m. Eastern	Wednesday, April 20 <sup>th</sup> , 2022
Deadline to Submit Proposals*	12:00 p.m. Eastern	Wednesday, May 4 <sup>th</sup> , 2022
Anticipated Contract Begin Date	N/A	Friday, August 18 <sup>th</sup> , 2022

**\*A proposal received at 12:00:01 p.m. Eastern is considered late and subject to disqualification.**

This RFP is subject to change. Check [www.michigan.gov/SIGMAVSS](http://www.michigan.gov/SIGMAVSS) for the current information.

## STATE OF MICHIGAN

Request For Proposal No. 220000001760  
 UIA Unemployment Insurance Solution

### PROPOSAL INSTRUCTIONS

**6. RESPONSE PREPARATION.** The State recommends reading all Solicitation materials prior to preparing a proposal, particularly these Proposal Instructions and the Vendor Questions Worksheet. Bidders must follow these Proposal Instructions and provide a complete response to the items indicated in the table below. References and links to websites or external sources may not be used in lieu of providing the information requested in the Solicitation within the proposal. Include the Bidder's company name in the header of all documents submitted with your proposal. **Note that all documents and information submitted as part of a proposal will become public record immediately upon receipt by the State. Proposals received by the State may be posted on the State's publicly available website after bidders are notified of the award recommendation.**

#### Structure and List of Solicitation Documentation

Document	Description	Bidder Response Instructions
<b>Cover Page</b>	Provides title and number, important dates, and contact information for Solicitation Manager	Informational
<b>Proposal Instructions</b>	Provides instructions to bidders	Informational
<b>Confidential Treatment Form</b>	Required verification on whether bidder's proposal contains confidential information	Bidder must complete and submit by proposal deadline
<b>Vendor Questions Worksheet</b>	Questions to bidders on background and experience	Bidder must complete and submit by proposal deadline
<b>Attachment 1, Resume Templates</b>	Key Personnel Resume Template	Bidder must complete and submit by proposal deadline
<b>Software Terms and Conditions</b>	This document provides the Contract Terms for any contract awarded from this solicitation	Deemed accepted by Bidder unless information required in the <b>Evaluation Process</b> section of this document is submitted by the proposal deadline.
<b>Schedule A – Statement of Work</b>	Statement of Work details	Bidder must complete and submit by proposal deadline
<b>Schedule A, Table 1 Business Specification Worksheet</b>	Business requirements	Bidder must complete and submit by proposal deadline
<b>Schedule B – Pricing</b>	Pricing for goods and services sought by the State through this RFP	Bidder must complete and submit by proposal deadline
<b>Schedule C – Insurance</b>	This document provides the Contract Insurance Requirements for any contract awarded from this solicitation.	Deemed accepted by Bidder unless information required in the <b>Evaluation Process</b> section of this document is submitted by the proposal deadline.
<b>Schedule D - Service Level Agreement</b>	This document provides the Service Level Agreement for any contract awarded from this solicitation.	Deemed accepted by Bidder unless written exceptions in accordance with the <b>Evaluation Section</b> are provided to State with Bidder's proposal.
<b>Schedule E – Data Security Requirements</b>	This document provides the Data Security Requirements for any contract awarded from this solicitation.	Deemed accepted by Bidder unless written exceptions in accordance with the <b>Evaluation Section</b> are

		provided to State with Bidder's proposal.
<b>Schedule F - Disaster Recovery Plan</b>	This schedule is a placeholder for the Bidder to provide their as Disaster Recovery Plan as Schedule F - Disaster Recovery Plan.	To be provided by Bidders and subject to negotiation.
<b>Schedule G – Transition In and Out Plan</b>	This document provides the Transition in and Out Plan from the Contractor for any contract awarded from this.	To be provided by Bidders and subject to negotiation.
<b>Schedule H – Hardware</b>	The document provides the hardware requirements from the Contractor for any contract awarded from this.	Deemed accepted by Bidder unless written exceptions in accordance with the <b>Evaluation Section</b> are provided to State with Bidder's proposal.
<b>Schedule I - Federal Provision Addendum</b>	Explanation of Provision	Informational
<b>Schedule I, Attachment 1 Byrd Anti-Lobbying Certification</b>	Limitation on Payments to Influence Certain Federal Transactions	To be completed by Bidders

7. **CONTACT INFORMATION FOR THE STATE.** The sole point of contact for the State concerning this solicitation is listed on the Cover Page. Contacting any other State personnel, agent, consultant, or representative about this solicitation may result in Bidder disqualification.

8. **OPTIONAL PRE-PROPOSAL MEETING.**

An optional pre-proposal meeting will be held at **1:00 p.m. Eastern Time on Thursday, April 7<sup>th</sup>, 2022**, by telephone at **1-248-509-0316, Conference ID # 855-209-389#**

Statements made by the Solicitation Manager or designee at a pre-proposal meeting are not considered modifications to the RFP. If, however, the Solicitation Manager determines modifications to the RFP are warranted after the meeting, modifications will be posted in writing on [www.michigan.gov/SIGMAVSS](http://www.michigan.gov/SIGMAVSS) as explained in the **Modifications** section of this document.

Attendance at the pre-proposal meeting is limited to 3 person -in is permitted in lieu of the bidder as evidence of attendance. Accessibility requests for reasonable accommodations at the pre-proposal meeting should be made with the Solicitation Manager at least 10 business days before the date of the meeting. Accommodation requests received outside this time period cannot be guaranteed.

9. **MODIFICATIONS.** The State may modify the Solicitation any time. Modifications will be posted on [www.michigan.gov/SIGMAVSS](http://www.michigan.gov/SIGMAVSS) . This is the only method by which the RFP may be modified.

10. **QUESTIONS.** Bidder questions about this RFP must be emailed to the Solicitation Manager no later than the time and date specified on the Cover Page. In the interest of transparency, only written questions are accepted. Answers to questions will be posted on [www.michigan.gov/SIGMAVSS](http://www.michigan.gov/SIGMAVSS). Submit questions using the format below; a Microsoft Excel format or similar is suggested.

Q #	Document and Section	Page #	Bidder Question

11. **DELIVERY OF PROPOSAL.**

**Electronic** – The bidder must submit its proposal, all attachments, and any modifications or withdrawals electronically through [www.michigan.gov/SIGMAVSS](http://www.michigan.gov/SIGMAVSS). The price proposal should be saved separately from all other proposal documents. The bidder should submit all documents in a modifiable (native) format (examples include but are not limited to Microsoft Word or Excel and Google Docs or Sheets). In addition to submitting documents in a modifiable format, the bidder may also submit copies of documents in PDF. Attachment file size is limited to 6 MB per document. Bidder's failure to submit a proposal as required may result in disqualification. The proposal and attachments must be fully uploaded and submitted prior to the proposal deadline. **Do not wait until the last minute to submit a proposal**, as the SIGMA VSS system requires the creation of an account and entry of certain

information, in addition to uploading and submitting the materials. The SIGMA VSS system **will not** allow a proposal to be submitted after the proposal deadline identified in the solicitation Closing On/Closing Date fields (Summary view/Detail view), even if a portion of the proposal has been uploaded.

Questions on how to submit information or how to navigate in the SIGMA VSS system can be answered by calling **(517) 284-0540 or (888) 734-9749**. The Solicitation Manager will not provide assistance related to the submittal of the proposal and all attachments on the day of the proposal deadline. Responsibility for a complete submission lies with the bidder. **Note that all documents and information submitted in any manner as part of a proposal will become public record immediately upon receipt by the State. Proposals received may be posted by the State on the State's publicly available website after bidders are notified of the award recommendation.**

12. **MANDATORY MINIMUM REQUIREMENTS.** To avoid disqualification, the Bidder must provide documentation to support the following:

Minimum Requirements
1. Five (5) years of experience with configuration/ development, implementation, and integration of a solution(s) with at least three (3) departments in the U.S. of similar in business capabilities, size, complexity to scope of this RFP. <ul style="list-style-type: none"> <li>▪ Years of experience must be for a total elapsed five years (e.g., 3 concurrent 2-year projects in the last 2 years would not meet this minimum requirement).</li> <li>▪ Similar business capabilities, complexities and scope include</li> </ul>
2. Bidder's solution must include, but is not limited to, the following functionalities: claims and/or benefit application, case management, fraud detection, finance, and reporting functionality.

Only those proposals that meet the mandatory minimum requirements will be considered for evaluation.

13. **EVALUATION PROCESS.** The State will evaluate each proposal based on the following factors:

Evaluation Criteria Name	Evaluation Weight
<ul style="list-style-type: none"> <li>• Schedule A – Statement of Work (not including the Business Specification Worksheet)</li> </ul>	30
<ul style="list-style-type: none"> <li>• Schedule A – Table 1 – Business Specification Worksheet</li> </ul>	40
<ul style="list-style-type: none"> <li>• Vendor Questions Worksheet</li> </ul>	20
<ul style="list-style-type: none"> <li>• Attachment 1, Resumes</li> </ul>	10
Total Weight	100

Proposals receiving; 80 or more evaluation points will have pricing evaluated and be considered for award.

The State may utilize all Bidder information, without regard to a proposal's technical score, to determine fair market value for goods or services sought. **The State is not obligated to accept the lowest price proposal.** If applicable, the State's evaluation will include consideration of a bidder's qualified disabled veterans/service-disabled veteran owned business(QDV/SDVOB) status under [MCL 18.1261\(8\)](#). Additional information on the SDVOB preference is available at: [Michigan.gov/SDVOB](#).

The State strongly encourages strict adherence to the Contract Terms and Schedules. The State reserves the right to deem a bid non-responsive for failure to accept the Contract Terms and Schedules. Nevertheless, the Bidder may submit proposed changes to the Contract Terms and Schedules in track changes (i.e., visible edits) with an explanation of the Bidder's need for each proposed change. Failure to include track changes with an explanation of the Bidder's need for the proposed change constitutes the Bidder's acceptance of the Contract Terms and Schedules. General statements, such as that the Bidder reserves the right to negotiate the terms and conditions, may be considered non-responsive.

The State will require an oral presentation and demonstration of solution of the Bidder's proposal, attend a proof of concept meeting, conduct interviews with Bidders, or request additional price concessions at any point during the evaluation process.

The State may deduct points or reject a proposal if the Bidder fails to demonstrate to the State's satisfaction the viability or functionality of the goods or services at the proof of concept meeting, on-site visit tour, oral presentations and demonstration of solution, or during Bidder interviews.

**14. NOTICE OF DEFICIENCY.** The State reserves the right to issue a **Notice of Deficiency** to Bidders if the State determines after the proposal deadline that a portion of the proposal was deficient, unclear, or ambiguous. Failure to respond to a **Notice of Deficiency** timely may be cause for disqualification.

**15. CLARIFICATION REQUEST.** The State reserves the right to issue a **Clarification Request** to a Bidder to clarify its proposal if the State determines the proposal is not clear. Failure to respond to a **Clarification Request** timely may be cause for disqualification.

**16. RESERVATIONS.** The State reserves the right to:

- a. Disqualify a Bidder for failure to follow these instructions.
- b. Discontinue the solicitation process at any time for any or no reason. The issuance of a solicitation, your preparation and submission of a proposal, and the State's subsequent receipt and evaluation of your proposal does not commit the State to award a contract to you or anyone, even if all the requirements in the solicitation are met.
- c. Consider late proposals if: (i) no other proposals are received; (ii) no complete proposals are received; (iii) the State received complete proposals, but the proposals did not meet mandatory minimum requirements or technical criteria; or (iv) the award process fails to result in an award.
- d. Consider an otherwise disqualified proposal if no other proposals are received.
- e. Disqualify a proposal based on: (i) information provided by the Bidder in response to this solicitation; (2) the Bidder's failure to complete registration on [www.michigan.gov/SIGMAVSS](http://www.michigan.gov/SIGMAVSS); or (3) if it is determined that a Bidder purposely or willfully submitted false or misleading information in response to the solicitation.
- f. Consider prior performance with the State in making its award decision.
- g. Consider overall economic impact to the State when evaluating proposal pricing and in the final award recommendation. This includes but is not limited to: considering principal place of performance, number of Michigan citizens employed or potentially employed, dollars paid to Michigan residents, Michigan capital investments, job creation, tax revenue implications, and economically disadvantaged businesses.
- h. Consider total-cost-of-ownership factors (e.g., transition and training costs) when evaluating proposal pricing and in the final award recommendation.
- i. Refuse to award a contract to any Bidder that has failed to pay State taxes or has outstanding debt with the State.
- j. Enter into negotiations with one or more Bidders on price, terms, technical requirements, or other deliverables.
- k. Award multiple, optional-use contracts, or award by Contract Activity.
- l. Evaluate the proposal outside the scope identified in the **Evaluation Process** section of this document, if the State receives only one proposal.

**17. AWARD RECOMMENDATION.** The contract will be awarded to the responsive and responsible Bidder who offers the best value to the State, as determined by the State. Best value will be determined by the Bidder meeting the minimum point threshold and offering the best combination of the factors stated in the **Evaluation Process** section of this document, and price, as demonstrated by the proposal. The State will post a **Notice of Recommendation for Award** on [www.michigan.gov/SIGMAVSS](http://www.michigan.gov/SIGMAVSS).

**18. DEBRIEF MEETINGS AND PROTEST.** The State will post an **Award Recommendation and Evaluation Synopsis**, which will provide instructions on how to request a debrief meeting.

If you wish to initiate a protest of the award, you must submit your written protest electronically at [BidProtest-DTMB@michigan.gov](mailto:BidProtest-DTMB@michigan.gov) no later than 3:00 p.m. Eastern, 10 business days after posting the **Award Recommendation and Evaluation Synopsis** on SIGMA VSS. The State reserves the right to adjust this timing and will publish any change on the SIGMA VSS system.

Additional information about the protest process is available at [www.michigan.gov/micontractconnect](http://www.michigan.gov/micontractconnect) under the "Programs and Policies" link.

**19. STATE ADMINISTRATIVE BOARD.** Contracts equal to or greater than \$250,000 require approval by the State Administrative Board. The State Administrative Board's decision is final; however, its approval does not constitute a contract. The award process is not complete until the awarded contractor receives a contract fully executed by all parties.

20. **GENERAL CONDITIONS.** The State will not be liable for any costs, expenses, or damages incurred by a Bidder participating in this solicitation. The Bidder agrees that its proposal will be considered an offer to do business with the State in accordance with its proposal, including the Contract Terms, and that its proposal will be irrevocable and binding for a period of [180] calendar days from date of submission. If a contract is awarded to the Bidder, the State may, at its option, incorporate any part of the Bidder's proposal into a contract. This solicitation is not an offer to enter into a contract. This solicitation may not provide a complete statement of the State's environment or contain all matters upon which agreement must be reached. The bidder understands that their proposal will become public record immediately upon receipt by the State. Other than verified trade secrets, proposals submitted via [www.michigan.gov/SIGMAVSS](http://www.michigan.gov/SIGMAVSS) are the State's property.

21. **CONFIDENTIAL TREATMENT FORM AND THE FREEDOM OF INFORMATION ACT.** As a public record, all portions of the bidder's proposal and resulting contract are subject to disclosure as required under Michigan's Freedom of Information Act (FOIA), MCL 15.231, et seq. However, the State may exempt some information from disclosure as permitted by law. Under MCL 18.1261(13)(b), records containing "a trade secret as defined under section 2 of the uniform trade secrets act, 1998 PA 448, MCL 445.1902," are exempt from disclosure under FOIA. In addition, "financial or proprietary information" submitted with a bidder's proposal is exempt from disclosure under FOIA. A bidder's failure to comply with this Section is grounds for rejecting a bidder's proposal as non-responsive. As a part of its proposal, each bidder must follow the procedure below.

a. **SUBMIT A COMPLETED "CONFIDENTIAL TREATMENT FORM" (CT FORM) WITH YOUR BID.** Completion and submission of the CT Form is required regardless of whether the bidder seeks confidential treatment of information. Failure to submit a completed CT Form may be cause for disqualification from the solicitation process. **If a bidder fails to properly complete and submit the CT Form or otherwise fails to follow CT Form instructions, the proposal may be publicly disclosed in its entirety without redaction after an award recommendation.**

- (i) Complete and sign Section 1 of the CT Form if the bidder does NOT request confidential treatment of information contained in its proposal; or
- (ii) Complete and sign Section 2 of the CT Form if the bidder requests confidential treatment of certain information. **Bidder must also submit a "Public Copy" of the proposal with the trade secret, financial, and proprietary information redacted and clearly labeled as the "Public Copy".**
- (iii) Failure to complete and sign a CT Form may result in disqualification of the bidder. **If a bidder fails to properly complete and submit the CT Form or otherwise fails to follow the CT Form instructions, the proposal, in its entirety, will be treated as a "Public Copy" and may be publicly disclosed by the State without redaction after bidders have been notified of an award recommendation.**

b. **FOIA REQUESTS.** If a FOIA request is made for a bidder's proposal, the Public Copy may be distributed to the public along with the bidder's CT Form. The CT Form is a public document and serves as an explanation for the redactions to the Public Copy. Do not put any trade secret, financial, or proprietary information in the CT Form. Do not redact the CT Form itself.

c. **NO ADVICE.** The State will not advise a bidder as to the nature or content of documents entitled to protection from disclosure under FOIA or other laws, as to the interpretation of such laws, or as to the definition of trade secret or financial or proprietary information. Nothing contained in this provision will modify or amend requirements and obligations imposed on the State by FOIA or other applicable law.

d. **FAILURE TO REQUEST CONFIDENTIAL TREATMENT.** Failure to request material be treated as confidential as specified herein relieves the State, its agencies, and personnel from any responsibility for maintaining material in confidence.

e. Bids containing a request to maintain an entire proposal as confidential may be rejected as non-responsive. Bidders may not request confidential treatment with respect to resumes, pricing, and marketing materials. The State reserves the right to determine whether material designated as exempt by a bidder falls under MCL 18.1261 or other applicable FOIA exemptions. If a FOIA request is made for materials that the bidder has identified as trade secret, financial, or proprietary information, the State has the final authority to determine whether the materials are exempt from disclosure under FOIA.



f. Bidder forever releases the State, its departments, subdivisions, officers, and employees from all claims, rights, actions, demands, damages, liabilities, expenses and fees, which arise out of or relate to the disclosure of all or a portion of bidder's proposal submitted under this RFP. Bidder must defend, indemnify and hold the State, its departments, subdivisions, officers, and employees harmless, without limitation, from and against all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to any FOIA request, including potential litigation and appeals, related to the portion of bidder's proposal submitted under this RFP that bidder has identified as a trade secret, or financial or proprietary information. The State will notify bidder in writing if indemnification is sought.

g. The State is entitled to: (i) regular updates on proceeding status; (ii) participate in the defense of the proceeding; (iii) employ its own counsel; and to (iv) retain control of the defense, or any portion thereof, if the State deems necessary. Bidder will not, without the State's written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding. If a State employee, official, or law is involved or challenged, the State may control the defense of that portion of the claim. 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. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

# STATE OF MICHIGAN

## CONFIDENTIAL TREATMENT FORM (CT FORM)

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**INSTRUCTIONS.** Complete either Section 1 or Section 2 of this CT Form and sign where indicated. This CT Form must be signed by the individual who signed the bidder's proposal. A completed CT Form must be submitted with your proposal, regardless of whether your proposal contains confidential information.

**Failure to submit a completed CT Form with your bid is grounds for rejecting the proposal as non-responsive. If a bidder fails to properly complete and submit the CT Form or otherwise fails to follow CT Form Instructions, the proposal, in its entirety, will be treated as a "Public Copy" and may be publicly disclosed by the State without redaction after bidders have been notified of an award recommendation. See the Confidential Treatment Form and The Freedom of Information Act section of the Proposal Instructions for additional information.**

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### Section 1. Confidential Treatment Is Not Requested

This section must be completed, signed, and submitted with the proposal if bidder does not request confidential treatment of any material contained in the proposal.

By signing below, the bidder affirms that confidential treatment of material contained in the proposal is not requested.

\_\_\_\_\_  
Solicitation Number

\_\_\_\_\_  
Solicitation Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name, Title, Company



**Section 2. Confidential Treatment Is Requested**

The section must be completed, signed, and submitted with the proposal if bidder requests confidential treatment of any material contained in the proposal. Submission of a completed CT Form is required to request confidential treatment.

Provide the information in the table below. Bidder may add rows or additional pages using the same format shown in the table. Bidder must specifically identify the information to be protected as confidential and state the reasons why protection is necessary.

The CT Form will not be considered fully complete unless, for each confidentiality request, the bidder: (1) identifies the Proposal Page #, Section #, and Paragraph #, (2) identifies whether the material is a Trade Secret (TS), Proprietary Financial Information (FI), or Proprietary Information (PI), and (3) explains the specific legal grounds that support treatment of the material as TS, FI, or PI. Bidders must provide a complete justification as to how the material falls within the scope of an applicable FOIA Exemption or relevant case law. Bidders must not simply cite to an applicable exemption or case name. Bidders must also provide the contact information for the person at Bidder’s organization authorized to respond to inquiries by the State concerning the material.

**Bidder must also submit a “Public Copy” of the proposal with the trade secret, financial, and proprietary information redacted and clearly labeled as the “Public Copy”.**

(1) Proposal Page #, Section #, Paragraph #	(2) Material is Trade Secret (TS), Proprietary Financial Information (FI), Proprietary Information (PI)	(3) Applicable FOIA Exemption with Written Justification	(4) Bidder Contact Information

By signing below, the bidder affirms that confidential treatment of material contained in its proposal is requested and has attached to this form a redacted “Public Copy” of the bidder’s proposal.

\_\_\_\_\_  
Solicitation Number

\_\_\_\_\_  
Solicitation Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name, Title, Company

# STATE OF MICHIGAN

## VENDOR QUESTIONS WORKSHEET

Bidders must provide a detailed response to each question. “You” and “company” refers to the bidder.

Attach any supplemental information and appropriately reference within your response.

Information Sought	Bidder Response
<b>1. Contact Information</b>	
Bidder’s sole contact person during the RFP process. Include name, title, address, email, and phone number.	
Person authorized to receive and sign a resulting contract. Include name, title, address, email, and phone number.	
<b>2. Company Background Information</b>	
Legal business name and address. Include business entity designation, e.g., sole proprietor, Inc., LLC, or LLP.	
What state was the company formed in?	
Phone number	
Website address	
Number of years in business and number of employees	
Legal business name and address of parent company, if any	
Has there been a recent change in organizational structure (e.g., management team) or control (e.g., merger or acquisition) of your company? If the answer is yes: (a) explain why the change occurred and (b) how this change has affected your company.	
Discuss your company’s history. Has growth been organic, through mergers and acquisitions, or both?	
Has Bidder (or any affiliates) ever been debarred, suspended, or disqualified from bidding or contracting with any entity, including the State of Michigan? If yes, provide the date, the entity, and details about the situation.	
Has your company (or any affiliates) been a party to litigation against the State of Michigan? If the answer is yes, then state the date of initial filing, case name and court number, and jurisdiction.	
Within the last 5 years, has your company (or any affiliates) defaulted on a contract or had a contract terminated for cause? If yes, provide the date, contracting entity, type of contract, and details about the termination or default.	
State your gross annual sales each of for the last 5 years. If receiving a contract under this RFP will increase your gross revenue by more than 25% from last year’s sales, explain how the company will scale-up to manage this increase.	
Describe partnerships and strategic relationships you think will bring significant value to the State.	
State the physical address of the place of business that would have primary responsibility for this account if Bidder is awarded a contract under this RFP.	
<b>3. Qualified Disabled Veteran/Service-Disabled Veteran-Owned Business Program</b>	
Under <a href="#">MCL 18.1261</a> , a “qualified disabled veteran” means a business entity that is 51% or more owned by 1 or more veterans with a service-connected disability. A “service-connected disability” means a disability incurred or aggravated in the line of duty in the active	Enter YES or NO.

military, naval, or air service as described in 38 USC 101(16). Are you a qualified disabled veteran?	
To demonstrate qualification as a qualified disabled veteran, you must provide: (a) Proof of service and conditions of discharge (DD214 or equivalent); (b) Proof of service-connected disability (DD214 if the disability was documented at discharge or Veterans Administration Rating Decision Letter or equivalent if the disability was documented after discharge); and (c) Legal documents setting forth the ownership of the business entity. In lieu of the documentation identified above, you may provide proof of certification by the National Veterans Business Development Council.	Enter the names of documents submitted with your proposal to demonstrate status as a qualified disabled veteran.
<b>4. Participation in RFP Development or Evaluation</b>	
Did your company, or an employee, agent, or representative of your company, participate in developing any component of this RFP?	Enter YES or NO.  If you entered "YES", you are not eligible for contract award or to work as a subcontractor for the awarded vendor.
If you are awarded a contract under this solicitation, in order to provide the goods or services required under a resulting contract, do you intend to partner or subcontract with a person or entity that assisted in the development of this solicitation?	Enter YES or NO.  If you entered "YES," you are not eligible for contract award. An awarded vendor may not partner or subcontract with anyone to provide goods and services required under a resulting contract if that subcontractor or partner assisted in the development of this solicitation.
Will your company, or an employee, agent, or representative of your company, participate in the evaluation of the proposals received in response to this RFP?	Enter YES or NO.  If you entered "YES", you are not eligible for contract award or to work as a subcontractor for the awarded vendor.
<b>5. State of Michigan Experience and Prior Experience</b>	
Does your company have experience working with the State of Michigan? If so, please provide a list (including the contract number) of the contracts you hold or have held with the State for the last 10 years.	
Describe at least 3 relevant experiences from the last 5 years supporting your ability to successfully manage a contract of similar size and scope for the work described in this RFP.	
<b>Information Sought</b>	
<b>Bidder Response</b>	
<b>Experience 1</b>	
Company name Contact name Contact role at time of project Contact phone Contact email	
City State Zip	
1. Project name and description of the scope of the project 2. What role did your company play? 3. How is this project experience relevant to the subject of this RFP? 4. What was the size of the user base/agency? 5. How were any challenges addressed? 6. Was the project different from the original budget? If so, why? 7. Was the project milestones changed from the original plan? 8. Were there any change requests that were processed? If so, how many?	
Dollar value	

Start and end date (mm/yy – mm/yy)	
Status (completed, live, other – specify phase)	
Results obtained	
<b>Experience 2</b>	
Company name Contact name Contact role at time of project Contact phone Contact email	
City State Zip	
1. Project name and description of the scope of the project 2. What role did your company play? 3. How is this project experience relevant to the subject of this RFP? 4. What was the size of the user base/agency? 5. How were any challenges addressed? 6. Was the project different from the original budget? If so, why? 7. Was the project milestones changed from the original plan? 8. Were there any change requests that were processed? If so, how many?	
Dollar value	
Start and end date (mm/yy – mm/yy)	
Status (completed, live, other – specify phase)	
Results obtained	
<b>Experience 3</b>	
Company name Contact name Contact role at time of project Contact phone Contact email	
City State Zip	
1. Project name and description of the scope of the project 2. What role did your company play? 3. How is this project experience relevant to the subject of this RFP? 4. What was the size of the user base/agency? 5. How were any challenges addressed? 6. Was the project different from the original budget? If so, why? 7. Was the project milestones changed from the original plan? 8. Were there any change requests that were processed? If so, how many?	
Dollar value	
Start and end date (mm/yy – mm/yy)	
Status (completed, live, other – specify phase)	
Results obtained	

<b>22. Contract Terms</b>	
Bidder must affirm agreement with the attached Contract Terms. If not in agreement, written exceptions in accordance with the Evaluation Process section of the Proposal Instructions must be provided with Bidder’s proposal. Any acceptance to the Contract terms confirms your organizations agreement, if awarded a Contract, and thus cannot be further edited or negotiated. Having any further exceptions to the Contract terms, at time of Contract negotiations, may be cause for disqualification.	

Bidder must include all persons who reviewed or edited the Contract terms, and their applicable role and title within your organization.	
<b>23. Michigan Economic Impact</b>	
Number of employees currently employed at locations within the State of Michigan	
Number of additional employees to be employed at locations within the State of Michigan if awarded this Contract (if any)	
Minimum wage paid to employees employed at locations within the State of Michigan	
Average wage paid to employees employed at locations within the State of Michigan	
Percentage of employees employed at locations within the State of Michigan that are covered by employer-provided health insurance	
<b>24. Labor and Environmental Laws Compliance</b>	
Bidder must disclose any violations of State or Federal labor and employment laws and regulations received within the last five years.	
Bidder must disclose any violations of State or Federal environmental laws and regulations received within the last five years.	
<b>25. Supplier Diversity</b>	
Does your company have a supplier diversity program or training?	Enter YES or NO.
<b>26. Other</b>	
<b>Classification of Employees.</b> I certify that the company has properly classified its employees in accordance with Federal/State labor and employment laws.	Enter YES or NO.
<b>Abusive Labor Practices.</b> The Contractor certifies that it will not furnish any Deliverable that was produced fully or partially by forced labor, forced or indentured child labor, or indentured servitude.	Enter YES or NO.
<b>Certification of Michigan Business- Public Act 431 of 1984, Sec. 268.</b> I certify that the company has, pursuant to the provisions of Sec 268 of Public Act 431 of 1984, filed a Michigan Business Tax Corporate Income Tax Return. I certify that the company has, pursuant to the provisions of Sec 268 of Public Act 431 of 1984, filed a Michigan Income Tax return showing income generated in, or attributed to the State of Michigan. I certify that the company has, pursuant to the provisions of Sec 268 of Public Act 431 of 1984, withheld Michigan Income Tax from compensation paid to the company's owners and remitted the tax to the Michigan Department of Treasury.	Enter YES or NO.
<b>Iran Linked Business- Public Act 517 of 2012.</b> I certify that the Company is not an Iran-Linked business as defined by Public Act 517 of 2012.	Enter YES or NO.
<b>Clean Corporate Citizen.</b> I certify that the Company is a Clean Corporate Citizen as defined by the Environmental Protection Act, 1994 PA 451.	Enter YES or NO.
<b>Convict Labor.</b> The Contractor certifies that if using convict labor, it is complying with all applicable state and federal laws and policies.	Enter YES or NO.

<p><b>SOM Debt/Tax Payment.</b> All SOM tax/debts. I certify that all applicable State of Michigan taxes are paid, and that no outstanding debt is owed to the State of Michigan.</p>	<p><b>Enter YES or NO.</b></p>
<p><b>Authorization to Verify Information provided by Vendor.</b> I authorize the State to verify that all information provided in this registration, in bidding and contracting documents, and any attachments or supplement documents and processes are accurate.</p>	<p><b>Enter YES or NO.</b></p>

**Attachment 1, Resume Templates**

**The Contractor must use the Résumé Summary Template provided in this attachment. Résumés for personnel should not exceed four (4) pages each in length.**

Résumés for key personnel must include relevant skills, experience, and references.

It is acceptable for one person to fill multiple key positions for this project. However, a key résumé template must be completed for each key position to demonstrate that the required skills and experience are met and the proposal must demonstrate that the individual is assigned to the project for sufficient hours to meet the requirements of all roles for which they have been designated.

The State may evaluate such criteria as time spent by the personnel directly supporting similar solutions, and comparable size, scope and complexity of implementations accomplished.

The Contractor must submit a Letter of Commitment for key personnel who will be assigned to the Contract, signed by the identified resource, stating their commitment to work for the Contractor on this project contingent on award of the bid. If the identified personnel are currently assigned to another State project the Contractor must provide a letter signed by the State Program Manager releasing the individual from the other project upon execution of the Contract.

<b>Proposed Resource Name:</b>	
<b>Proposed Classification:</b>	<b>Contractor Project Manager</b>
<b>If resource is associated with a subcontractor provide name of company:</b>	
<b>Percentage of time resource will be allocated to project:</b>	
<b>Contractor list the skills and experience that qualify the individual for the duties and responsibilities on this project for the proposed role. Provide the name of the project(s) and the year(s) the experience was obtained.</b>	

The experience requirements are restated as follows:

<b>Required Skills</b>	<b>Bidder's Response</b>
5 years of experience managing projects of similar size and scope of this solicitation.	<b>Does resource have this required skill: Yes " or No "</b> <b>Description of skills and experience:</b> <b>Name of project(s) and year(s) experience was obtained:</b>
<i>5 years of experience facilitating meetings w/ clients &amp; stakeholders</i>	<b>Does resource have this required skill: Yes " or No "</b> <b>Description of skills and experience:</b> <b>Name of project(s) and year(s) experience was obtained:</b>
<i>Excellent communication and organization skills required</i>	<b>Does resource have this required skill: Yes " or No "</b> <b>Description of skills and experience:</b> <b>Name of project(s) and year(s) experience was obtained:</b>



<i>Ability to motivate and guide staff to ensure accurate, efficient, and timely delivery of service</i>	
<i>Education: Bachelor's degree        Certification: Project Management Professional or Scrum Certification</i>	<b>List your degree and the conferring institution:</b>

List client references for work performed to meet the requirements stated above, and all projects the proposed resource has worked on in the last three (3) years. A minimum of three (3) references are required. By submission of this information, the Contractor and identified key person authorize the State of Michigan to contact references and previous employers provided to verify the accuracy of the information. Provide the identified information for each:

Start Date:	End Date:
Client/Project:	
Employer:	
Title/Percentage of time:	
Description:	

Start Date:	End Date:
Client/Project:	
Employer:	
Title/Percentage of time:	
Description:	

Start Date:	End Date:
Client/Project:	
Employer:	
Title/Percentage of time:	
Description:	

**EDUCATION**

Education		
Degree (i.e. PhD, Master's, Bachelors)		Year Completed:
Program	Major(s) area of study:	Minor area of study:
University		

Additional Education		
Degree (i.e. PhD, Master's, Bachelors)		Year Completed:
Program	Major(s) area of study:	Minor area of study:
University		

**TRAINING** – Provide any relevant technical or professional training related to the role resource will be providing on this project.

Technical or Professional Training	
Course Name	
Topic	<i>(include credit hours if applicable)</i>
Date taken	

Certifications/Affiliations	
Name	
Topic/Description	

Date completed	
----------------	--

<b>Proposed Resource Name:</b>	
<b>Proposed Classification:</b>	<b>Contractor Security Officer</b>
<b>If resource is associated with a subcontractor provide name of company:</b>	
<b>Percentage of time resource will be allocated to project:</b>	
<b>Contractor list the skills and experience that qualify the individual for the duties and responsibilities on this project for the proposed role. Provide the name of the project(s) and the year(s) the experience was obtained.</b>	

The experience requirements are restated as follows:

<b>Required Skills</b>	<b>Bidder's Response</b>
5 years of experience managing the security for similar size and scope of this solicitation.	<p><b>Does resource have this required skill: Yes or No</b></p> <p><b>Description of skills and experience:</b></p> <p><b>Name of project(s) and year(s) experience was obtained:</b></p>
<i>5 years of experience facilitating compliance for clients &amp; stakeholders</i>	<p><b>Does resource have this required skill: Yes or No</b></p> <p><b>Description of skills and experience:</b></p> <p><b>Name of project(s) and year(s) experience was obtained:</b></p>
<p><i>Excellent communication and organization skills required</i></p> <p><i>Ability to motivate and guide staff to ensure secure, accurate, efficient, and timely delivery of service</i></p>	<p><b>Does resource have this required skill: Yes or No</b></p> <p><b>Description of skills and experience:</b></p> <p><b>Name of project(s) and year(s) experience was obtained:</b></p>
<p><i>Education: Bachelor's degree</i></p> <p><i>Certification: Security certifications actively held</i></p>	<p><b>List your degree and the conferring institution and active security certifications:</b></p>

List client references for work performed to meet the requirements stated above, and all projects the proposed resource has worked on in the last three (3) years. A minimum of three (3) references are required. By submission of this information, the Contractor and identified key person authorize the State of Michigan to contact references and previous employers provided to verify the accuracy of the information. Provide the identified information for each:

Start Date:	End Date:
Client/Project:	
Employer:	
Title/Percentage of time:	
Description:	

Start Date:	End Date:
Client/Project:	
Employer:	
Title/Percentage of time:	
Description:	

Start Date:	End Date:
Client/Project:	
Employer:	
Title/Percentage of time:	
Description:	

**EDUCATION**

Education		
Degree (i.e. PhD, Master's, Bachelors)		Year Completed:
Program	Major(s) area of study:	Minor area of study:
University		

Additional Education		
Degree (i.e. PhD, Master's, Bachelors)		Year Completed:
Program	Major(s) area of study:	Minor area of study:
University		

**TRAINING** – Provide any relevant technical or professional training related to the role resource will be providing on this project.

Technical or Professional Training	
Course Name	
Topic	<i>(include credit hours if applicable)</i>
Date taken	

Certifications/Affiliations	
Name	
Topic/Description	
Date completed & current expiration	

<b>Proposed Resource Name:</b>	
<b>Proposed Classification:</b>	<b>Business Analyst</b>
<b>Key Personnel:</b>	Yes <input checked="" type="checkbox"/> or No <input type="checkbox"/>
<b>If resource is associated with a subcontractor provide name of company:</b>	
<b>Percentage of time resource will be allocated to this role on this project:</b>	

**Contractor:** List the skills and experience that qualify the individual for the duties and responsibilities on this project for the proposed role. Provide the name of the project(s) and the year(s) the experience was obtained.

The experience requirements detailed in the RFP are restated as follows:

Required Skills	Bidder's Response
5 years of experience eliciting requirements and facilitating JAD sessions,	<p><b>Does resource have this required skill: Yes <input type="checkbox"/> or No <input type="checkbox"/></b></p> <p><b>Description of skills and experience:</b></p> <p><b>Name of project(s) and year(s) experience was obtained:</b></p>
5 years of experience documenting requirements and maintaining product backlogs.	<p><b>Does resource have this required skill: Yes <input type="checkbox"/> or No <input type="checkbox"/></b></p> <p><b>Description of skills and experience:</b></p> <p><b>Name of project(s) and year(s) experience was obtained:</b></p>
3 years of experience developing current and future state process models.	<p><b>Does resource have this required skill: Yes <input type="checkbox"/> or No <input type="checkbox"/></b></p> <p><b>Description of skills and experience:</b></p> <p><b>Name of project(s) and year(s) experience was obtained:</b></p>
3 years of experience conducting business impact analysis.	<p><b>Does resource have this required skill: Yes <input type="checkbox"/> or No <input type="checkbox"/></b></p> <p><b>Description of skills and experience:</b></p> <p><b>Name of project(s) and year(s) experience was obtained:</b></p>
Excellent communication and organization skills required	<p><b>Does resource have this required skill: Yes <input type="checkbox"/> or No <input type="checkbox"/></b></p> <p><b>Description of skills and experience:</b></p> <p><b>Name of project(s) and year(s) experience was obtained:</b></p>

List client references for work performed to meet the requirements stated above, and all projects the proposed resource has worked on in the last three (3) years. A minimum of three (3) references are required. By submission of this information, the Bidder and identified key person authorize the State of Michigan to contact references and previous employers provided to verify the accuracy of the information. Provide the identified information for each:

Start Date:	End Date:
Client/Project:	
Employer:	
Title/Percentage of time:	
What percentage were you onsite for the project?	
Description:	

Start Date:	End Date:
Client/Project:	
Employer:	
Title/Percentage of time:	

What percentage were you onsite for the project?
Description:

Start Date:	End Date:
Client/Project:	
Employer:	
Title/Percentage of time:	
What percentage were you onsite for the project?	
Description:	

**EDUCATION**

Education		
Degree (i.e. PhD, Master's, Bachelors)		Year Completed:
Program	Major(s) area of study:	Minor area of study:
University		

Additional Education		
Degree (i.e. PhD, Master's, Bachelors)		Year Completed:
Program	Major(s) area of study:	Minor area of study:
University		

**TRAINING** – Provide any relevant technical or professional training related to the role resource will be providing on this project.

Technical or Professional Training	
Course Name	
Topic	<i>(include credit hours if applicable)</i>
Date taken	

Certifications/Affiliations	
Name	
Topic/Description	
Date completed	

<b>Proposed Resource Name:</b>	
<b>Proposed Classification:</b>	<b>Technical Lead</b>
<b>Key Personnel:</b>	<b>Yes <input checked="" type="checkbox"/> or No <input type="checkbox"/></b>
<b>If resource is associated with a subcontractor provide name of company:</b>	
<b>Percentage of time resource will be allocated to this role on this project:</b>	

**Contractor:** List the skills and experience that qualify the individual for the duties and responsibilities on this project for the proposed role. Provide the name of the project(s) and the year(s) the experience was obtained.

The experience requirements detailed in the RFP are restated as follows:

Required Skills	Bidder's Response
5 years of experience leading technical projects, providing technical guidance and standards.	<p><b>Does resource have this required skill: Yes <input type="checkbox"/> or No <input type="checkbox"/></b></p> <p><b>Description of skills and experience:</b></p> <p><b>Name of project(s) and year(s) experience was obtained:</b></p>
3 years of experience leading technical projects specific to system modernization.	<p><b>Does resource have this required skill: Yes <input type="checkbox"/> or No <input type="checkbox"/></b></p> <p><b>Description of skills and experience:</b></p> <p><b>Name of project(s) and year(s) experience was obtained:</b></p>
3 years of experience as a technical lead on an Agile team.	<p><b>Does resource have this required skill: Yes <input type="checkbox"/> or No <input type="checkbox"/></b></p> <p><b>Description of skills and experience:</b></p> <p><b>Name of project(s) and year(s) experience was obtained:</b></p>
Excellent communication and organization skills required	<p><b>Does resource have this required skill: Yes <input type="checkbox"/> or No <input type="checkbox"/></b></p> <p><b>Description of skills and experience:</b></p> <p><b>Name of project(s) and year(s) experience was obtained:</b></p>
Education: Associate's degree	<b>List your degree and the conferring institution;</b>

List client references for work performed to meet the requirements stated above, and all projects the proposed resource has worked on in the last three (3) years. A minimum of three (3) references are required. By submission of this information, the Bidder and identified key person authorize the State of Michigan to contact references and previous employers provided to verify the accuracy of the information. Provide the identified information for each:

Start Date:	End Date:
Client/Project:	
Employer:	
Title/Percentage of time:	
Description:	

Start Date:	End Date:
Client/Project:	
Employer:	
Title/Percentage of time:	
Description:	

Start Date:	End Date:
Client/Project:	
Employer:	
Title/Percentage of time:	
Description:	

**EDUCATION**

Education		
Degree (i.e. PhD, Master's, Bachelors)		Year Completed:
Program	Major(s) area of study:	Minor area of study:
University		

Additional Education		
Degree (i.e. PhD, Master's, Bachelors)		Year Completed:
Program	Major(s) area of study:	Minor area of study:
University		

**TRAINING** – Provide any relevant technical or professional training related to the role resource will be providing on this project.

Technical or Professional Training	
Course Name	
Topic	<i>(include credit hours if applicable)</i>
Date taken	

Certifications/Affiliations	
Name	
Topic/Description	
Date completed	

<b>Proposed Resource Name:</b>	
<b>Proposed Classification:</b>	<b>Contractor Functional/Implementation Lead</b>
<b>Key Personnel:</b>	Yes <input checked="" type="checkbox"/> or No <input type="checkbox"/>
<b>If resource is associated with a subcontractor provide name of company:</b>	
<b>Percentage of time resource will be allocated to this role on this project:</b>	

**Contractor:** List the skills and experience that qualify the individual for the duties and responsibilities on this project for the proposed role. Provide the name of the project(s) and the year(s) the experience was obtained.

The experience requirements detailed in the RFP are restated as follows:

Required Skills	Bidder's Response
5 years of experience leading technical projects, providing technical guidance and standards.	<b>Does resource have this required skill: Yes <input type="checkbox"/> or No <input type="checkbox"/></b>  <b>Description of skills and experience:</b>  <b>Name of project(s) and year(s) experience was obtained:</b>
3 years of experience leading technical projects specific to system modernization.	<b>Does resource have this required skill: Yes <input type="checkbox"/> or No <input type="checkbox"/></b>



	<b>Description of skills and experience:</b>  <b>Name of project(s) and year(s) experience was obtained:</b>
3 years of experience as a technical lead on an Agile team.	<b>Does resource have this required skill: Yes <input type="checkbox"/> or No <input type="checkbox"/></b>  <b>Description of skills and experience:</b>  <b>Name of project(s) and year(s) experience was obtained:</b>
Excellent communication and organization skills required	<b>Does resource have this required skill: Yes <input type="checkbox"/> or No <input type="checkbox"/></b>  <b>Description of skills and experience:</b>  <b>Name of project(s) and year(s) experience was obtained:</b>
Education: Associate's degree	<b>List your degree and the conferring institution;</b>

List client references for work performed to meet the requirements stated above, and all projects the proposed resource has worked on in the last three (3) years. A minimum of three (3) references are required. By submission of this information, the Bidder and identified key person authorize the State of Michigan to contact references and previous employers provided to verify the accuracy of the information. Provide the identified information for each:

Start Date:	End Date:
Client/Project:	
Employer:	
Title/Percentage of time:	
Description:	

Start Date:	End Date:
Client/Project:	
Employer:	
Title/Percentage of time:	
Description:	

Start Date:	End Date:
Client/Project:	
Employer:	
Title/Percentage of time:	
Description:	

**EDUCATION**

Education		
Degree (i.e. PhD, Master's, Bachelors)		Year Completed:
Program	Major(s) area of study:	Minor area of study:
University		

Additional Education		
Degree (i.e. PhD, Master's, Bachelors)		Year Completed:

Program	Major(s) area of study:	Minor area of study:
University		

**TRAINING** – Provide any relevant technical or professional training related to the role resource will be providing on this project.

Technical or Professional Training	
Course Name	
Topic	<i>(include credit hours if applicable)</i>
Date taken	

Certifications/Affiliations	
Name	
Topic/Description	
Date completed	

# STATE OF MICHIGAN

## SOFTWARE TERMS AND CONDITIONS

These Terms and Conditions, together with all Schedules (including the Statement(s) of Work), Exhibits and any other applicable attachments or addenda (Collectively this “Contract”) are agreed to between the State of Michigan (the “**State**”) and [INSERT COMPANY NAME] (“**Contractor**”), a [INSERT STATE & ENTITY STATUS, E.G., A MICHIGAN CORPORATION OR A TEXAS LIMITED LIABILITY COMPANY]. This Contract is effective on August 18<sup>th</sup>, 2022 (“**Effective Date**”), and unless terminated, will expire on [MONTH, DAY, 2027] (the “**Term**”).

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

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

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

“**Acceptance Tests**” means such tests as may be conducted in accordance with **Section 9.1** and a Statement of Work to determine whether the Software meets the requirements of this Contract and the Documentation.

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

“**Allegedly Infringing Materials**” has the meaning set forth in **Section 17.2(b)**.

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

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

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

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

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

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

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

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

**“Confidential Information”** has the meaning set forth in **Section 22.1**.

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

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

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

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

**“Contractor’s Bid Response”** means the Contractor’s proposal submitted in response to the Solicitation Type.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**“Key Personnel”** means any Contractor Personnel identified as key personnel in the Contract.

**“Loss or Losses”** means all losses, including but not limited to, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the costs of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.

**“Maintenance Release”** means any update, upgrade, release or other adaptation or modification of the Software, including any updated Documentation, that Contractor may generally provide to its licensees from time to time during the Term, which may contain, among other things, error corrections, enhancements, improvements or

other changes to the user interface, functionality, compatibility, capabilities, performance, efficiency or quality of the Software.

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

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

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

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

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

“**Operating Environment**” means, collectively, the platform, environment and conditions on, in or under which the Software is intended to be installed and operate, as set forth in a Statement of Work, including such structural, functional and other features, conditions and components as hardware, operating software, system architecture, configuration, computing hardware, ancillary equipment, networking, software, firmware, databases, data, and electronic systems (including database management systems).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“**State Hosted**” means the Hosted Services are not provided by Contractor or one or more of its Permitted Subcontractors.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“**Warranty Period**” means the one hundred and twenty (120) calendar-day period commencing on the date of the State's Acceptance of the Software and for which Support Services are provided free of charge.

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

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

**2. Duties of Contractor.** Contractor will provide Services and Deliverables pursuant to Statement(s) of Work entered into under this Contract. Contractor will provide all Services and Deliverables in a timely, professional manner and in accordance with the terms, conditions, and Specifications set forth in this Contract and the Statement(s) of Work.

**2.1 Statement of Work Requirements.** No Statement of Work will be effective unless signed by each party's Contract Administrator. The term of each Statement of Work will commence on the parties' full execution of a Statement of Work and terminate when the parties have fully performed their obligations. The terms and conditions of this Contract will apply at all times to any Statements of Work entered into by the parties and incorporated into this Contract. The State will have the right to terminate such Statement of Work as set forth in **Section 16**. Contractor acknowledges that time is of the essence with respect to Contractor's obligations under each Statement of Work and agrees that prompt and timely performance of all such obligations in accordance with this Contract and the Statements of Work (including the Implementation Plan and all Milestone Dates) is strictly required.

**2.2 Change Control Process.** The State may at any time request in writing (each, a “**Change Request**”) changes to a Statement of Work, including changes to the Services and Implementation Plan (each, a “**Change**”).



Upon the State's submission of a Change Request, the parties will evaluate and implement all Changes in accordance with this **Section 2.2**.

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

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

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

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

- (i) require Contractor to perform the Services under a Statement of Work without the Change;
- (ii) require Contractor to continue to negotiate a Change Notice;
- (iii) initiate a Dispute Resolution Procedure; or
- (iv) notwithstanding any provision to the contrary in a Statement of Work, terminate this Contract under **Section 16.1**.

(d) No Change will be effective until the parties have executed a Change Notice. Except as the State may request in its Change Request or otherwise in writing, Contractor must continue to perform its obligations in accordance with a Statement of Work pending negotiation and execution of a Change Notice. Contractor will use its best efforts to limit any delays or Fee increases from any Change to those necessary to perform the Change in accordance with the applicable Change Notice. Each party is responsible for its own costs and expenses of preparing, evaluating, negotiating, and otherwise processing any Change Request, Change Proposal, and Change Notice.

(e) The performance of any functions, activities, tasks, obligations, roles and responsibilities comprising the Services as described in this Contract are considered part of the Services and, thus, will not be considered a Change. This includes the delivery of all Deliverables in accordance with their respective Specifications, and the diagnosis and correction of Non-Conformities discovered in Deliverables prior to their

Acceptance by the State or, subsequent to their Acceptance by the State, as necessary for Contractor to fulfill its associated warranty requirements and its Support Services under this Contract.

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

### 2.3 Contractor Personnel.

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

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

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

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

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

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

(a) Contractor Project Manager must:

- (i) have the requisite authority, and necessary skill, experience, and qualifications, to perform in such capacity;
  - (ii) be responsible for overall management and supervision of Contractor's performance under this Contract; and
  - (iii) be the State's primary point of contact for communications with respect to this Contract, including with respect to giving and receiving all day-to-day approvals and consents.
- (b) Contractor Project Manager must attend all regularly scheduled meetings as set forth in the Implementation Plan and will otherwise be available as set forth in a Statement of Work.
- (c) Contractor will maintain the same Contractor Project Manager throughout the Term of this Contract, unless:
- (i) the State requests in writing the removal of Contractor Project Manager;
  - (ii) the State consents in writing to any removal requested by Contractor in writing;
  - (iii) Contractor Project Manager ceases to be employed by Contractor, whether by resignation, involuntary termination or otherwise.
- (d) Contractor will promptly replace its Contractor Project Manager on the occurrence of any event set forth in **Section 2.4(c)**. Such replacement will be subject to the State's prior written approval.

#### 2.5 Contractor's Key Personnel.

- (a) The State has the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, introduce the individual to the State Program Managers or their designees, and provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection.
- (b) Contractor will not remove any Key Personnel from their assigned roles on this Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("**Unauthorized Removal**"). An Unauthorized Removal does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel's employment. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to terminate this Contract for cause under **Section 16.1**.
- (c) It is further acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of this Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to determine and remedy 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 16**, Contractor will issue to the State an amount equal to \$25,000 per individual (each, an "**Unauthorized Removal Credit**").
- (d) Contractor acknowledges and agrees that each of the Unauthorized Removal Credits assessed under **Subsection 2.5(c)** above: (i) is a reasonable estimate of and compensation for the anticipated or actual harm to the State that may arise from the Unauthorized Removal, which would be impossible or very difficult to accurately

estimate; and (ii) may, at the State’s option, be credited or set off against any Fees or other charges payable to Contractor under this Contract.

2.6 **Subcontractors.** Contractor must obtain prior written approval of the State, which consent may be given or withheld in the State’s sole discretion, before engaging any Permitted Subcontractor to provide Services to the State under this Contract. Third parties otherwise retained by Contractor to provide Contractor or other clients of contractor with services are not Permitted Subcontractors, and therefore do not require prior approval by the State. Engagement of any subcontractor or Permitted Subcontractor by Contractor does not relieve Contractor of its representations, warranties or obligations under this Contract. Without limiting the foregoing, Contractor will:

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

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

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

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

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

If to State:	If to Contractor:
[Name]	[Name]
[Street Address]	[Street Address]
[City, State, Zip]	[City, State, Zip]
[Email]	[Email]
[Phone]	[Phone]

4. **Insurance.** Contractor must maintain the minimum insurances identified in the Insurance Schedule attached as **Schedule C**.

5. **Software License.**

5.1 **Perpetual License.** If Contractor is providing the State with a license to use its Software indefinitely, then Contractor hereby grants to the State and its Authorized Users a non-exclusive, royalty-free, perpetual, irrevocable right and license to use the Software and Documentation in accordance with the terms and conditions of this Contract, provided that:

(a) The State is prohibited from reverse engineering or decompiling the Software, making derivative works, modifying, adapting or copying the Software except as is expressly permitted by this Contract or required to be permitted by law;

(b) The State is authorized to make copies of the Software for backup, disaster recovery, and archival purposes;

(c) The State is authorized to make copies of the Software to establish a test environment to conduct Acceptance Testing;

(d) Title to and ownership of the Software shall at all times remain with Contractor and/or its licensors, as applicable; and

(e) Except as expressly agreed in writing, the State is not permitted to sub-license the use of the Software or any accompanying Documentation.

**5.2 Subscription License.** If the Software is Contractor Hosted and Contractor is providing the State access to use its Software during the Term of the Contract only, then:

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

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

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

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

**5.3 Certification.** To the extent that a License granted to the State is not unlimited, Contractor may request written certification from the State regarding use of the Software for the sole purpose of verifying compliance with this **Section 5**. Such written certification may occur no more than once in any 24-month period during the Term of the Contract. The State will respond to any such request within 45 calendar days of receipt. If the State's use is greater than contracted, Contractor may invoice the State for any unlicensed use (and related support) pursuant to the terms of this Contract at the rates set forth in **Schedule B**, and the unpaid license and support fees shall be payable in accordance with the terms of the Contract. Payment under this provision shall be Contractor's sole and exclusive remedy to cure these issues.

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

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

## **7. Intellectual Property Rights**

### **7.1 Ownership Rights in Software**

(a) For purposes of this **Section 7** only, the term "Software" does not include Customizations.

(b) Subject to the rights and licenses granted by Contractor in this Contract and the provisions of **Section 7.1(c)**:

(i) Contractor reserves and retains its entire right, title and interest in and to all Intellectual Property Rights arising out of or relating to the Software; and

(ii) none of the State or Authorized Users acquire any ownership of Intellectual Property Rights in or to the Software or Documentation as a result of this Contract.

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

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

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

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

(i) assigns, transfers, and otherwise conveys to the State, irrevocably and in perpetuity, throughout the universe, all right, title, and interest in and to such Work Product, including all Intellectual Property Rights; and

(ii) irrevocably waives any and all claims Contractor may now or hereafter have in any jurisdiction to so-called "moral rights" or rights of *droit moral* with respect to the Work Product.

## **8. Software Implementation.**

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

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

## 9. **Software Acceptance Testing.**

### 9.1 Acceptance Testing.

(a) Unless otherwise specified in a Statement of Work, upon installation of the Software, or in the case of Contractor Hosted Software, when Contractor notifies the State in writing that the Hosted Services are ready for use in a production environment, Acceptance Tests will be conducted as set forth in this **Section 9** to ensure the Software conforms to the requirements of this Contract, including the applicable Specifications and Documentation.

(b) All Acceptance Tests will take place at the designated Site(s) in the Operating Environment described in a Statement of Work, commence on the Business Day following installation of the Software, or the receipt by the State of the notification in **Section 9.1(a)**, and be conducted diligently for up to 30 Business Days, or such other period as may be set forth in a Statement of Work (the "**Testing Period**"). Acceptance Tests will be conducted by the party responsible as set forth in a Statement of Work or, if a Statement of Work does not specify, the State, provided that:

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

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

(a) Upon delivery and installation of any application programming interfaces, Configuration or Customizations, or any other applicable Work Product, to the Software under a Statement of Work, additional Acceptance Tests will be performed on the modified Software as a whole to ensure full operability, integration, and compatibility among all elements of the Software ("**Integration Testing**"). Integration Testing is subject to all procedural and other terms and conditions set forth in **Section 9.1**, **Section 9.4**, and **Section 9.5**.

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

9.3 Notices of Completion, Non-Conformities, and Acceptance. Within 15 Business Days following the completion of any Acceptance Tests, including any Integration Testing, the party responsible for conducting the tests will prepare and provide to the other party written notice of the completion of the tests. Such notice must include a



report describing in reasonable detail the tests conducted and the results of such tests, including any uncorrected Non-Conformity in the tested Software.

(a) If such notice is provided by either party and identifies any Non-Conformities, the parties' rights, remedies, and obligations will be as set forth in **Section 9.4** and **Section 9.5**.

(b) If such notice is provided by the State, is signed by the State Program Managers or their designees, and identifies no Non-Conformities, such notice constitutes the State's Acceptance of such Software.

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

- (i) notify Contractor in writing of Non-Conformities the State has observed in the Software and of the State's non-acceptance thereof, whereupon the parties' rights, remedies and obligations will be as set forth in **Section 9.4** and **Section 9.5**; or
- (ii) provide Contractor with a written notice of its Acceptance of such Software, which must be signed by the State Program Managers or their designees.

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

- (a) completion of such Acceptance Tests, in the case of Acceptance Tests conducted by Contractor; or
- (b) receipt of the State's notice under **Section 9.1(a)** or **Section 9.3(c)(i)**, identifying any Non-Conformities.

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

- (a) continue the process set forth in this **Section 9**;
- (b) accept the Software as a nonconforming deliverable, in which case the Fees for such Software will be reduced equitably to reflect the value of the Software as received relative to the value of the Software had it conformed; or
- (c) deem the failure to be a non-curable material breach of this Contract and a Statement of Work and terminate this Contract for cause in accordance with **Section 16.1**.

**9.6 Acceptance.** Acceptance ("**Acceptance**") of the Software (subject, where applicable, to the State's right to Integration Testing) and any Deliverables will occur on the date that is the earliest of the State's delivery of a notice accepting the Software or Deliverables under **Section 9.3(b)**, or **Section 9.3(c)(ii)**.

## **10. Non-Software Acceptance.**

**10.1** All other non-Software Services and Deliverables are subject to inspection and testing by the State within 30 calendar days of the State's receipt of them ("State Review Period"), unless otherwise provided in the Statement of Work. If the non-Software Services and Deliverables are not fully accepted by the State, the State will notify Contractor by the end of the State Review Period that either: (a) the non-Software Services and Deliverables are

accepted but noted deficiencies must be corrected; or (b) the non-Software Services and Deliverables are rejected. If the State finds material deficiencies, it may: (i) reject the non-Software Services and Deliverables without performing any further inspections; (ii) demand performance at no additional cost; or (iii) terminate this Contract in accordance with **Section 16.1**, Termination for Cause.

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

10.3 If Contractor is unable or refuses to correct the deficiency within the time response standards set forth in this Contract, the State may cancel the order in whole or in part. The State, or a third party identified by the State, may provide the non-Software Services and Deliverables and recover the difference between the cost to cure and the Contract price plus an additional 10% administrative fee.

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

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

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

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

**13. Invoices and Payment.**

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

**13.2** The State has the right to withhold payment of any disputed amounts until the parties agree as to the validity of the disputed amount. The State will notify Contractor of any dispute within a reasonable time. Payment by the State will not constitute a waiver of any rights as to Contractor's continuing obligations, including claims for

deficiencies or substandard Services and Deliverables. Contractor's acceptance of final payment by the State constitutes a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still disputed.

13.3 The State will only disburse payments under this Contract through Electronic Funds Transfer (EFT). Contractor must register with the State at <http://www.michigan.gov/SIGMAVSS> to receive electronic fund transfer payments. If Contractor does not register, the State is not liable for failure to provide payment.

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

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

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

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

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

#### **14. Liquidated Damages.**

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

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

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

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

**15. Stop Work Order.** The State may suspend any or all activities under the Contract at any time. The State will provide Contractor a written stop work order detailing the suspension. Contractor must comply with the stop work order upon receipt. Within 90 calendar days, or any longer period agreed to by Contractor, the State will either:

- (a) issue a notice authorizing Contractor to resume work, or
- (b) terminate the Contract or delivery order. The State will not pay for Contract Activities, Contractor's lost profits, or any additional compensation during a stop work period.

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

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

(a) The State may terminate this Contract for cause, in whole or in part, if Contractor, as determined by the State:

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

(b) If the State terminates this Contract under this **Section 16.1**, the State will issue a termination notice specifying whether Contractor must:

- (i) cease performance immediately. Contractor must submit all invoices for Services accepted by the State within 30 days of the date of termination. Failure to submit an invoice within that timeframe will constitute a waiver by Contractor for any amounts due to Contractor for Services accepted by the State under this Contract, or
- (ii) continue to perform for a specified period. If it is later determined that Contractor was not in breach of this Contract, the termination will be deemed to have been a termination for public interest, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in **Section 16.2**.

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

**16.2 Termination for Public Interest.** The State may immediately terminate this Contract in whole or in part, without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must:

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

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

### 16.3 Transition Responsibilities.

(a) Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 90 calendar days; the "**Transition Period**"), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract to continue without interruption or adverse effect, and to facilitate the orderly transfer of the Services to the State or its designees. Such transition assistance may include but is not limited to:

- (i) continuing to perform the Services at the established Contract rates;
- (ii) taking all reasonable and necessary measures to transition performance of the work, including all applicable Services to the State or the State's designee;
- (iii) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, and comply with **Section 22.5** regarding the return or destruction of State Data at the conclusion of the Transition Period; and
- (iv) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, the "**Transition Responsibilities**"). The Term of this Contract is automatically extended through the end of the Transition Period.

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

## 17. **Indemnification**

17.1 General Indemnification. Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to:

(a) any breach by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract;

(b) any infringement, misappropriation, or other violation of any Intellectual Property Right or other right of any third party;

(c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and

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

17.2 Indemnification Procedure. The State will notify Contractor in writing if indemnification is sought; however, failure to do so will not relieve Contractor, except to the extent that Contractor is materially prejudiced. Contractor must, to the satisfaction of the State, demonstrate its financial ability to carry out these obligations. The State is entitled to:

- (a) regular updates on proceeding status;
- (b) participate in the defense of the proceeding;
- (c) employ its own counsel; and to
- (d) retain control of the defense, at its own cost and expense, if the State deems necessary.

Contractor will not, without the State's prior written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding. Any litigation activity on behalf of the State or any of its subdivisions, under this **Section 17**, must be coordinated with the Department of Attorney General. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

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

## 18. **Infringement Remedies.**

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

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

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

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

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

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

- (a) Contractor's compliance with any designs, specifications, or instructions of the State; or

- (b) modification of the Software by the State without the prior knowledge and approval of Contractor.

**19. Disclaimer of Damages and Limitation of Liability.**

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

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

**20. Disclosure of Litigation, or Other Proceeding.** Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") involving Contractor, a Permitted Subcontractor, or an officer or director of Contractor or Permitted Subcontractor, that arises during the term of the Contract, including:

- (a) a criminal Proceeding;
- (b) a parole or probation Proceeding;
- (c) a Proceeding under the Sarbanes-Oxley Act;
- (d) a civil Proceeding involving:
  - (i) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or
  - (ii) a governmental or public entity's claim or written allegation of fraud; or
- (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract.

**21. State Data.**

21.1 Ownership. The State's data ("**State Data**"), which will be treated by Contractor as Confidential Information, includes:

- (a) User Data; and
- (b) any other data collected, used, Processed, stored, or generated in connection with the Services, including but not limited to:
  - (i) personally identifiable information ("**PII**") collected, used, Processed, stored, or generated as the result of the Services, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements here listed; and



- (ii) protected health information (“**PHI**”) collected, used, Processed, stored, or generated as the result of the Services, which is defined under the Health Insurance Portability and Accountability Act (“**HIPAA**”) and its related rules and regulations.

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

21.3 Contractor Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Services, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Services. Contractor must:

- (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss;
- (b) use and disclose State Data solely and exclusively for the purpose of providing the Services, such use and disclosure being in accordance with this Contract, any applicable Statement of Work, and applicable law;
- (c) keep and maintain State Data in the continental United States and
- (d) not use, sell, rent, transfer, distribute, commercially exploit, or otherwise disclose or make available State Data for Contractor’s own purposes or for the benefit of anyone other than the State without the State’s prior written consent. Contractor’s misuse of State Data may violate state or federal laws, including but not limited to MCL 752.795.

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

21.5 Loss or Compromise of Data. In the event of any act, error or omission, negligence, misconduct, or breach on the part of Contractor that compromises or is suspected to compromise the security, confidentiality, integrity, or availability of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor must, as applicable:

- (a) notify the State as soon as practicable but no later than 24 hours of becoming aware of such occurrence;
- (b) cooperate with the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State;
- (c) in the case of PII or PHI, at the State’s sole election:
  - (i) with approval and assistance from the State, notify the affected individuals who comprise the PII or PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within 5 calendar days of the occurrence; or



- (ii) reimburse the State for any costs in notifying the affected individuals;
- (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than 24 months following the date of notification to such individuals;
- (e) perform or take any other actions required to comply with applicable law as a result of the occurrence;
- (f) pay for any costs associated with the occurrence, including but not limited to any costs incurred by the State in investigating and resolving the occurrence, including reasonable attorney's fees associated with such investigation and resolution;
- (g) without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence;
- (h) be responsible for recreating lost State Data in the manner and on the schedule set by the State without charge to the State; and
- (i) provide to the State a detailed plan within 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.

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

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

**22.1 Meaning of Confidential Information.** For the purposes of this Contract, 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: (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). For purposes of this Contract, in all cases and for all matters, State Data is deemed to be Confidential Information.

**22.2**Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to the Contractor's subcontractor is permissible where:

- (a) the subcontractor is a Permitted Subcontractor;
- (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Permitted Subcontractor's responsibilities; and
- (c) Contractor obligates the Permitted Subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State's request, any of the Contractor's and Permitted Subcontractor's Representatives may be required to execute a separate agreement to be bound by the provisions of this **Section 22.2**.

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

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

**22.5**Surrender of Confidential Information upon Termination. Upon termination or expiration of this Contract or a Statement of Work, in whole or in part, each party must, within 5 Business Days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control. Upon confirmation from the State, of receipt of all data, Contractor must permanently sanitize or destroy the State's Confidential Information, including State Data, from all media including backups using National Security Agency ("NSA") and/or National Institute of Standards and Technology ("NIST") (NIST Guide for Media Sanitization 800-88) data sanitation methods or as otherwise instructed by the State. If the State determines that the return of any Confidential Information is not feasible or necessary, Contractor must destroy the Confidential Information as specified above. The Contractor must certify the destruction of Confidential Information (including State Data) in writing within 5 Business Days from the date of confirmation from the State.

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

**23.1** Right of Audit. Pursuant to MCL 18.1470, the State or its designee may audit Contractor to verify compliance with this Contract. Contractor must retain and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to this Contract through the Term of this Contract and for 4 years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Financial Audit Period**"). If an audit, litigation, or other action involving the records is initiated before the end of the Financial Audit Period, Contractor must retain the records until all issues are resolved.

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

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

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

(a) Free of charge during the Warranty Period.

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

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

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

**27. Maintenance Releases; New Versions**

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

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

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

**28. Source Code Escrow**

**28.1 Escrow Contract.** The parties may enter into a separate intellectual property escrow agreement. Such escrow agreement will govern all aspects of Source Code escrow and release. The cost of the escrow will be the sole responsibility of Contractor.

**28.2 Deposit.** Within 30 business days of the Effective Date, Contractor will deposit with the escrow agent, pursuant to the procedures of the escrow agreement, the Source Code for the Software, as well as the Documentation and names and contact information for each author or other creator of the Software. Promptly after release of any update, upgrade, patch, bug fix, enhancement, new version, or other revision to the Software, Contractor will deposit updated Source Code, documentation, names, and contact information with the escrow agent.

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

- (a) Contractor will promptly deposit conforming Deposit Material; and
- (b) Contractor will pay the escrow agent for subsequent verification of the new Deposit Material. Any breach of the provisions of this **Section 28.3** will constitute material breach of this Contract, and no further payments will be due from the State until such breach is cured, in addition to other remedies the State may have.

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

## **29. Contractor Representations and Warranties.**

**29.1 Authority.** Contractor represents and warrants to the State that:

- (a) It is duly organized, validly existing, and in good standing as a corporation or other entity as represented under this Contract under the laws and regulations of its jurisdiction of incorporation, organization, or chartering;
- (b) It has the full right, power, and authority to enter into this Contract, to grant the rights and licenses granted under this Contract, and to perform its contractual obligations;
- (c) The execution of this Contract by its Representative has been duly authorized by all necessary organizational action; and
- (d) When executed and delivered by Contractor, this Contract will constitute the legal, valid, and binding obligation of Contractor, enforceable against Contractor in accordance with its terms.
- (e) Contractor is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606.

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

- (a) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other Bidder for the purpose of restricting competition; the prices quoted were

not knowingly disclosed by Contractor to any other Bidder to the RFP; and no attempt was made by Contractor to induce any other Person to submit or not submit a proposal for the purpose of restricting competition;

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

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

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

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

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

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

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

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

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

(i) conflict with or violate any applicable law;

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

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

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

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

(ii) fail to comply with any applicable law;

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

- (i) Harmful Code; or
  - (ii) Third party or Open-Source Components that operate in such a way that it is developed or compiled with or linked to any third party or Open-Source Components, other than Approved Third Party Components specifically described in a Statement of Work.
- (h) all Documentation is and will be complete and accurate in all material respects when provided to the State such that at no time during the license term will the Software have any material undocumented feature; and
- (i) it will perform all Services in a timely, skillful, professional and workmanlike manner in accordance with commercially reasonable industry standards and practices for similar services, using personnel with the requisite skill, experience and qualifications, and will devote adequate resources to meet its obligations under this Contract.
- (j) when used in the Operating Environment (or any successor thereto) in accordance with the Documentation, all Software as provided by Contractor, will be fully operable, meet all applicable specifications, and function in all respects, in conformity with this Contract and the Documentation;
- (k) Contractor acknowledges that the State cannot indemnify any third parties, including but not limited to any third-party software providers that provide software that will be incorporated in or otherwise used in conjunction with the Services, and that notwithstanding anything to the contrary contained in any third-party software license agreement or end user license agreement, the State will not indemnify any third party software provider for any reason whatsoever;
- (l) no Maintenance Release or New Version, when properly installed in accordance with this Contract, will have a material adverse effect on the functionality or operability of the Software.
- (m) all Configurations or Customizations made during the Term will be forward-compatible with future Maintenance Releases or New Versions and be fully supported without additional costs.
- (n) If Contractor Hosted:
- (i) Contractor will not advertise through the Hosted Services (whether with adware, banners, buttons or other forms of online advertising) or link to external web sites that are not approved in writing by the State;
  - (ii) the Software and Services will in all material respects conform to and perform in accordance with the Specifications and all requirements of this Contract, including the Availability and Availability Requirement provisions set forth in the Service Level Agreement;
  - (iii) all Specifications are, and will be continually updated and maintained so that they continue to be, current, complete and accurate and so that they do and will continue to fully describe the Hosted Services in all material respects such that at no time during the Term or any additional periods during which Contractor does or is required to perform the Services will the Hosted Services have any material undocumented feature;
- (o) During the Term of this Contract, any audit rights contained in any third-party software license agreement or end user license agreement for third-party software incorporated in or otherwise used in conjunction with the Software or with the Hosted Services, if applicable, will apply solely to Contractor or its Permitted Subcontractors. Regardless of anything to the contrary contained in any third-party software license agreement or end user license agreement, third-party software providers will have no audit rights whatsoever against State Systems or networks.

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



- 30. Offers of Employment.** During the first 12 months of the Contract, should Contractor hire an employee of the State, without prior written consent of the State, who has substantially worked on any project covered by this Contract. The Contractor will be billed for 50% of the employee's annual salary in effect at the time of separation.
- 31. Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any Permitted Subcontractor that provides Services and Deliverables in connection with this Contract.
- 32. Compliance with Laws.** Contractor, its subcontractors, including Permitted Subcontractors, and their respective Representatives must comply with all laws in connection with this Contract.
- 33. Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, and Executive Directive [2019-09](#), Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex (as defined in Executive Directive [2019-09](#)), height, weight, marital status, partisan considerations, any mental or physical disability, or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position. Breach of this covenant is a material breach of the Contract.
- 34. Unfair Labor Practice.** Under MCL 423.324, the State may void any Contract with a Contractor or Permitted Subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.
- 35. Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in the Michigan Court of Claims. Complaints against the State must be initiated in Ingham County, Michigan. Contractor waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint an agent in Michigan to receive service of process.
- 36. Non-Exclusivity.** Nothing contained in this Contract is intended nor is to be construed as creating any requirements contract with Contractor, nor does it provide Contractor with a right of first refusal for any future work. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Services from other sources.
- 37. Force Majeure**
- 37.1 Force Majeure Events.** Neither party will be liable or responsible to the other party, or be deemed to have defaulted under or breached the Contract, for any failure or delay in fulfilling or performing any term hereof, when and to the extent such failure or delay is caused by: acts of God, flood, fire or explosion, war, terrorism, invasion, riot or other civil unrest, embargoes or blockades in effect on or after the date of the Contract, national or regional emergency, or any passage of law or governmental order, rule, regulation or direction, or any action taken by a governmental or public authority, including imposing an embargo, export or import restriction, quota or other restriction or prohibition (each of the foregoing, a "**Force Majeure Event**"), in each case provided that: (a) such event is outside the reasonable control of the affected party; (b) the affected party gives prompt written notice to the other party, stating the period of time the occurrence is expected to continue; (c) the affected party uses diligent efforts to end the failure or delay and minimize the effects of such Force Majeure Event.

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

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

- (a) in no event will any of the following be considered a Force Majeure Event:
  - (i) shutdowns, disruptions or malfunctions of Hosted Services or any of Contractor's telecommunication or internet services other than as a result of general and widespread internet or telecommunications failures that are not limited to the Hosted Services; or
  - (ii) the delay or failure of any Contractor Personnel to perform any obligation of Contractor hereunder unless such delay or failure to perform is itself by reason of a Force Majeure Event.

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

**38. Dispute Resolution.** The parties will endeavor to resolve any Contract dispute in accordance with this provision. The dispute will be referred to the parties' respective Contract Administrators. Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute to a senior executive if unable to resolve the dispute within 15 business days. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance. Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' senior executive and either concludes that resolution is unlikely or fails to respond within 15 business days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This Section does not limit the State's right to terminate the Contract.

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

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

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

**42. Survival.** The provisions of this Contract that impose continuing obligations, including but not limited to warranties and representations, termination, transition, insurance coverage, indemnification, state data, disclaimer of damages and limitations of liability, data security and confidentiality, and any right, obligation or condition that, by its express terms or nature and context is intended to survive will survive the expiration or termination of this Contract.

**43. Administrative Fee and Reporting** Contractor must pay an administrative fee of 1% on all payments made to Contractor under the Contract including transactions with MiDEAL members, and other states (including



governmental subdivisions and authorized entities). Administrative fee payments must be made online by check or credit card at: <https://www.thepayplace.com/mi/dtmb/adminfee>

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

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

**44. Extended Purchasing Program.** This contract is extended to MiDEAL members. MiDEAL members include local units of government, school districts, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is available at [www.michigan.gov/mideal](http://www.michigan.gov/mideal).

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

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

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

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

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

**47. Accessibility Requirements.**

47.1 All Software provided by Contractor under this Contract, including associated content and documentation, must conform to WCAG 2.0 Level AA. Contractor must provide a description of conformance with WCAG 2.0 Level AA specifications by providing a completed PAT for each product provided under the Contract. At a minimum, Contractor must comply with the WCAG 2.0 Level AA conformance claims it made to the State, including the level of conformance provided in any PAT. Throughout the Term of the Contract, Contractor must:

(a) maintain compliance with WCAG 2.0 Level AA and meet or exceed the level of conformance provided in its written materials, including the level of conformance provided in each PAT;

(b) comply with plans and timelines approved by the State to achieve conformance in the event of any deficiencies;

(c) ensure that no Maintenance Release, New Version, update or patch, when properly installed in accordance with this Contract, will have any adverse effect on the conformance of Contractor's Software to WCAG 2.0 Level AA;

(d) promptly respond to and resolve any complaint the State receives regarding accessibility of Contractor's Software;

(e) upon the State's written request, provide evidence of compliance with this Section by delivering to the State Contractor's most current PAT for each product provided under the Contract; and

(f) participate in the State of Michigan Digital Standards Review described below.

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

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

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

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

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

**49. Relationship of the Parties.** The relationship between the parties is that of independent contractors. Nothing contained in this Contract is to be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party has authority to contract for nor bind the other party in any manner whatsoever.

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

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

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

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

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

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

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

<b>Schedule A</b>	Statement of Work
<b>Schedule B</b>	Pricing Schedule
<b>Schedule C</b>	Insurance Schedule
<b>Schedule D</b>	Service Level Agreement
<b>Schedule E</b>	Data Security Requirements
<b>Schedule F</b>	Disaster Recovery Plan (if Contractor Hosted)
<b>Schedule G</b>	Transition Plan
<b>Schedule H</b>	Hardware
<b>Schedule I</b>	Federal Provision Addendum

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

**56. Entire Agreement.** These Terms and Conditions, including all Statements of Work and other Schedules and Exhibits (again collectively the “Contract”) constitutes the sole and entire agreement of the parties to this Contract with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, representations and warranties, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements made in the Terms and Conditions, the Schedules, Exhibits, and a Statement of Work, the following order of precedence governs: (a) first, these Terms and Conditions and (b) second, Schedule E – Data Security Requirements and (c) third, each Statement of Work; and (d) fourth, the remaining Exhibits and Schedules to this Contract. NO TERMS ON CONTRACTOR’S INVOICES, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE SERVICES, OR DOCUMENTATION HEREUNDER, EVEN IF ATTACHED TO STATE’S DELIVERY OR PURCHASE ORDER, WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE OR ANY AUTHORIZED USER FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE AND THE AUTHORIZED USER, EVEN IF ACCESS TO OR USE OF SUCH SERVICE OR DOCUMENTATION REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.

## SCHEDULE A - STATEMENT OF WORK

This schedule identifies the anticipated requirements of any Contract resulting from this RFP. The term “Contractor” in this document refers to a bidder responding to this RFP.

The Contractor must respond to each requirement or question and explain how it will fulfill each requirement. Attach any supplemental information and appropriately reference within your response.

### 1. DEFINITIONS

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

Term	Definition
Adjudicators	Responsible for resolving issues related to fraud and non-compliance
Call Center Agents	UI Staff that work in the call center
Configuration	Predefined set of options, which are prebuilt by the developer of the core solution and are available to be used out-of-the-box. Further options could be added in a future version of the solution
CRT	Centralized Response Team for handling Legislative and Constituent Queries
Customization	Proposed changes to the existing functionality with new code that has not been previously prebuilt by the developer of the core solution
CWC	Combined Wage Claim
DOL	Department of Labor
ETA	Employment and Training Administration
EVA	Chatbot
Form Types	IB4
ICON	UI Interstate Connection Network
IRORA	Interstate Reciprocal Overpayment Recovery Arrangement
IRS	Internal Revenue Service
LEO	Labor and Economic Opportunity
NAICS	North American Industry Classification System
NDNH	National Directory of New Hires
OCR	Optical Character Recognition
POA	Power of Attorney
Program Types	Different federal programs (e.g., TRA, RTAA)
RTAA	Re-employment Trade Adjustment Assistance
SAVE	Systematic Alien Verification for Entitlements
Solution	Any and all software, infrastructure, platforms, applications, modules and components, in object code form, all related documentation, enhancements, and source code
SSA	Social Security Administration
SSN	Social Security Number
TIN	Tax Identification Number
TPA	Third Party Administrator
TRA	Trade Readjustment Allowance

UI Staff	LEO/UIA employees (contractors, permanent or temporary) performing UIA business functions
UIA	Unemployment Insurance Agency
WBA	Weekly Benefit Amount
WOTC	Work Opportunity Tax Credit

## 2. BACKGROUND

### Program Overview

The State of Michigan’s Unemployment Insurance Agency (UIA) is responsible for collecting taxes from Employers and disbursing Unemployment Insurance (UI) benefits to eligible Claimants as defined in the Michigan Employment Security Act ([http://www.michigan.gov/documents/ua\\_mesact\\_3103\\_7.pdf](http://www.michigan.gov/documents/ua_mesact_3103_7.pdf)).

**Agency Mission Statement:** “Through teamwork, we serve as stewards and leaders in the customer centric delivery of Michigan’s unemployment insurance program, and we do so with integrity and efficiency.”

**Agency Vision Statement:** “UI will deliver high quality, innovative unemployment services to our customers through an experienced and dedicated team of professionals.”

**Agency Values:** “Integrity, Team, Customer-Centric, Stewardship”

The following information is provided to establish the scale of the project:

- **In Calendar Year (CY) 2019**, Michigan’s average unemployment rate was 4.1%. UIA paid out nearly \$800 million in regular State and Federal unemployment benefits.
- **In CY 2020**, Michigan’s unemployment rate peaked at 24.0% in April. UIA paid approximately \$27 billion in benefits to more than 2.3 million claimants. In CY 2020, Michigan has an unemployment rate of 9.9% --- slightly above the national average and over double its rate for CY 2019.
- **In CY 2019 and 2020**, Michigan had approximately 216,000 active employers registered in the unemployment system, reporting a combined annual payroll of over \$235 billion (approximately \$38 billion of which was taxable) on an average of approximately 5 million wage items per quarter. UIA assesses and collects over \$1.1 billion in State UI tax on these employers annually.
- In Calendar Year (CY) 2021, Michigan’s average unemployment rate was 5.9%—slightly above the national average. UIA paid out approximately \$12 billion in unemployment benefits.
  - In addition to regular UI benefits, Michigan paid out Pandemic Unemployment Assistance (PUA), State Extended Benefits (EB), and Pandemic Emergency Unemployment Compensation (PEUC), with supplemental payments under the Federal Pandemic Unemployment Compensation (FPUC) and Lost Wage Assistance (LWA) programs. Including State and Federal regular, extended, emergency, and supplemental benefits, payments have totaled over \$38 billion since the start of the pandemic.
- **In CY 2019 and 2020**, Michigan has approximately 216,000 active employers registered in the unemployment system, reporting a combined annual payroll of over \$235 billion (approximately \$38 billion of which was taxable) on an average of approximately 5 million wage items per quarter. UIA assess and collects over \$1.1 billion in State UI tax on these employers annually.
- In CY 2021, Michigan had approximately 228,000 active employers registered in the unemployment system with approximately 5 million wage items per quarter. UIA assessed and collected over \$1 billion in State UI tax on these employers.

The current automated system performs the following functions:

Employer Tax Processing – includes processing of activity for two types of employers – Contributing (Tax) and Reimbursing.

- Internet based system for employer quarterly reporting of wages, and tax payments, with ability for end users to track and view changes on their end.

- Maintaining individual employer account balances comprised of benefit charges, adjustments and employer payment activities, with a customer facing portal.
- Generates annual tax rates, quarterly billings, penalties, and interest assessments.
- Automated process for employer tax liens, collection activities
- Supporting Work Opportunity Tax Credit (WOTC) application and approval
- Supports TPS (Tax Performance System) activities
- Supports employer audit activities.

Benefit Payments – unemployment benefit payments to claimants charged to either the UI Trust Fund or various Federal programs.

- Supports BAM (Benefit Accuracy Measurement) activities.
- Supports claimant eligibility assessment and determination.
- Support claimant certification, processing and payments including disqualification and appeals.
- Provides workflow and queue management to adjudicate claims.
- Maintains Claimant overpayment collection activities.
- Provides Bankruptcy and Child Support withholding orders.

Accounting – automated posting of all financial transactions. Activity is used for financial reporting and the development of auditable financial statements.

- Gives ability to generate manual cash transactions via templates for cash management purposes.
- Provides ability to add new general ledger accounts as needed, including tags to designate appropriate reporting of the activity.
- Provides summary data on a daily basis with ability to drill down to individual transactions.
- Supports collection, tracking, reconciliation, and reporting of revenues.
- An automated billing process, including approval paths and tracking; provides total amounts billed and paid out to each vendor.

Reporting – Produces a full suite of USDOL ETA reports required for the UI program.

- Automatically runs various reports for a designated time frame (daily, monthly, quarterly, etc.)
- Provides ability to generate user customized report through a user-friendly interface.
- Creates workflow queues for internal processing and management.
- Supports users to perform ad hoc queries and analysis accurately and quickly.
- Provides users the ability to download reports in a secure manner.

Fraud Detection and Analytics – system utilizes scoring criteria for the identification of fraudulent claims activity.

- Provides ability to proactively detect and identify fraud based on business specified fraud rules.
- Provides comprehensive details on the claimant to build additional fraud detection rules.
- Provides dedicated workflows for fraud investigation and remediation activities.
- Supports cross match of claimant information with other national databases like IDH etc.

Supports documentation of fraud referrals from both internal and external resources to identify fraud.

The vision of the UIA Modernization is to help the State keep pace with the demands of a digital society and offer the flexibility to meet Iowan's evolving needs in the future. The solution will deliver a range of benefits including customer-centric, user-friendly tools. The figure below further describes the key strategic drivers from this modernization effort

**Drivers for Modernization**



**PURPOSE**

The State is seeking a replacement system for its Unemployment Insurance System that will be an innovative and agile solution to better serve the citizens of Michigan. The State will consider *either a Contractor Hosted or State Hosted* Software Solution and applicable Services.

Term of the agreement: 5 years with 5 -1-year options.

The new solution must be accessible and user-friendly, including the ability to be modified per user feedback. The new solution must create greater efficiencies for business process improvements, analyzing and reporting data, fraud detection, and the eligibility and timeliness of payments. The new solution must also meet the State’s standard for program integrity, security, and compliance.

**3. IT ENVIRONMENT RESPONSIBILITIES**

Bidder must disclose if they are proposing a Contractor Hosted or State Hosted application or provide options for both.

Bidder must describe, in detail, how they will meet the requirements of SCHEDULE D – Service Level Agreement (State and Contractor Hosted options) as part of their solution.

Included in **SCHEDULE E – Data Security Requirements**; the bidder will be required to meet all State PSP’s, public and non-public applicable to this RFP. Non-public State PSP’s are available to bidders under NDA. As part of this RFP, bidder is required to sign NDA before non-public PSP’s are distributed.



Bidder must describe how identified components will maintain compliance with requirements in the **SCHEDULE E - Data Security Requirements**.

**For a Contractor Hosted Software Solution:**

**Definitions:**

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

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

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

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

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

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

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

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

Bidder must identify any subcontractor(s) that it intends to use for the components in the table above.

Please provide additional information if this matrix above does not adequately identify the division of responsibilities.



**SCHEDULE F – Disaster Recovery Plan;** The Bidder must provide the State with a detailed Disaster Recovery Plan that include, but not limited to details how the following minimum data security areas will be handled.

- Back-up and Recovery:
  - Organization policy and procedures authorizing this activity and covering the backup and recovery processes.
  - The roles and responsibilities within the organization and the integration of activities with any affiliated organizations with responsibilities in back-up and recovery.
  - Training and awareness of staff, contractors, and affiliated organizations.
  - The most recent back up/fail-over test date at the time of submission.
  - Description of planned off-line backup solution.
  - Priority for the recovery and reconstitution of activities.
- Incident Handling:
  - Organization policy and procedures authorizing this activity and covering the areas of preparation, detection and analysis, containment, eradication, and recovery.
  - Roles and responsibilities with the organization and affiliated organizations.
  - Training and awareness of staff, contractors, and affiliated organizations.
  - Most recent instant response testing at the time of submission and a summary of the lessons learned.
  - Description of the implementation of secure communications such as a description of software tool(s) used for tracking and documenting the incident or disaster.
- Disaster Recovery & Incident Handling Planning:
  - Identification of the organization’s business functions, recovery objectives, restoration priorities, and metrics of evaluation in alignment with RPO and RTO requirements.
  - Organization policy and procedures authorizing this activity and covering the areas of backup, preparation, detection and analysis, containment, eradication, recovery, and root cause analysis.
  - Roles and responsibilities with the organization and affiliated organizations.
  - Training and awareness practices of staff, contractors, and affiliated organizations.
  - The most recent disaster recovery/contingency plan test date at time of submission.
  - Methods used to identify deficiencies and corrective actions from the most recent disaster/contingency plan test and the status of corrective actions.
  - Description of the implementation of secure communications such as a description of software tool(s) used for tracking and documenting the incident or disaster.
  - Identification and use of alternate storage and process sites for business continuity.
  - Protections and recovery planning for ransomware attacks.

The Bidder must submit the above supporting documentation with the submission of the proposal.

**For a State Hosted Software Solution:**

**Definitions:**

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

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

Component Matrix	Disclose subcontractor name(s), if applicable.
Application	
Development	

Bidder must identify any subcontractor(s) that it intends to use for the components in the table above.

Please provide additional information if this matrix above does not adequately identify the division of responsibilities.

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Bidder must identify if they will require access to or copies of State Data.

**4. ADA COMPLIANCE**

The State is required to comply with the Americans with Disabilities Act of 1990 (ADA) and has adopted standards and procedures regarding accessibility requirements for websites and software applications. All websites, applications, software, and associated content and documentation provided by the Contractor as part of the Solution must comply with Level AA of the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG) 2.0.

Bidder must provide a description of conformance with WCAG 2.0 Level AA specifications by providing a completed PAT for the Solution. If the Solution is comprised of multiple products, a PAT must be provided for each product. In addition to PATs, Bidders may include a verification of conformance certified by an industry-recognized third-party. If the Bidder is including any third-party products in the Solution, Bidder must obtain and provide the third-party PATs as well.

Each PAT must state exactly how the product meets the specifications. All “Not Applicable” (N/A) responses must be fully explained. Contractor must address each standard individually and with specificity; and clarify whether conformance is achieved throughout the entire product (for example – user functionality, administrator functionality, and reporting), or only in limited areas. A description of the evaluation methods used to support WCAG 2.0 Level AA conformance claims, including, if applicable, any third-party testing, must be provided. For each product that does not fully conform to WCAG 2.0 Level AA, Bidder must provide detailed information regarding the plan to achieve conformance, including timelines.

Bidder must provide details of how they will meet these requirements.

**5. USER TYPE AND CAPACITY**

Type of User	Access Type	Number of Users	Number of Concurrent Users
Public Citizen	Read, Write	1+ Million	10,000
State Employee	Roll based, includes: Read, Write, Admin Access	500-1,000	500-1,000
Approved Third Party	Roll based, includes: Read, Write, Admin Access	100	100

Contractor Solution must meet the expected number of concurrent Users.

Bidder must explain how it will be able to support the expected number of concurrent Users. Bidder must also explain whether the Solution can scale up or down without affecting performance. Bidder must provide any detail on how this may affect the final cost within the pricing schedule.

Bidder must provide details regarding latency response time for (i.e., Generate Page Load, standardized reporting, ad hoc reporting). The Bidder must identify what network connectivity or equipment will the State be required to have to meet the expected latency response time?

## 6. ACCESS CONTROL AND AUTHENTICATION

The Contractor's solution must integrate with the State's IT Identity and Access Management (IAM) environment as described in the State of Michigan Digital Strategy (<https://www.milogintp.michigan.gov>), which consist of:

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

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

Bidder must explain how they will meet the requirements for Access Control and Authentication.

## 7. DATA RETENTION AND REMOVAL

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

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

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

Bidder must review and explain how the data retention, deletion and retrieval requirements will be met and describe its data management capabilities (storage limitations, duration, etc.).

## 8. END USER AND IT OPERATING ENVIRONMENT

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

Contractor must accommodate the latest browser versions (including mobile browsers) as well as some pre-existing browsers. To ensure that users with older browsers are still able to access online services, applications must, at a minimum, display and function correctly in standards-compliant browsers and the state standard browser without the use of special plugins or extensions. The rules used to base the minimum browser requirements include:

- Over 2% of desktop and mobile & tablet site traffic, measured using Michigan.gov sessions statistics and

- The current browser identified and approved as the State of Michigan standard

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

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

Bidder must describe the optimal IT environment based on the environment choices set forth above.

Bidder must describe any State system access requirements that are necessary for the Bidder to perform its obligations on a timely basis, including but not limited to, physical or remote access to State networks, servers, or individual workstations.

Bidder must describe if it can comply with the current environment and how it intends to comply with any future changes to the IT environment. And if not, describe what IT and end user operating environment its Solution supports.

Bidder must describe if it can support the original environment throughout the term of the contract.

Bidder must describe how it communicates changes to its software and architecture.

Bidder must describe how customers collaborate with your organization in the decision-making process for upgrades, maintenance, and change control.

Bidder must identify any plug-ins necessary for the proposed Solution to meet the system requirements of this request.

## 9. SOFTWARE

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

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

### Look and Feel Standards

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

### Mobile Responsiveness

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

**SOM IT Environment Access**

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

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

Bidder must provide a detailed description of the Solution to be provided under the resulting Contract including, but not limited to, a detailed description of the proposed Software (name, type, version, release number, etc.), its functionality including the information architecture and functional design of the system, such as functionality maps, architectural maps, training materials, visual aids including screen shots, actions performed by the system, and any behind the scenes processing, optional add-on modules and plugins. The level of detail provided will be such so that anyone is able to read it and understand how the software works. Additionally, clearly define the Bidder's services and the Solution's ability to be rapidly configured or scaled as the State's business or technical demands change.

Bidder must identify any unique software requirements to full fill the terms of the Contract.

Bidder must describe any State system access requirements that are necessary for the Bidder to perform its obligations on a timely basis, including but not limited to, physical or remote access to State networks, servers, or individual workstations.

Bidder must describe any custom software required to support internal SOM systems.

Bidder must describe the licensing structure (Perpetual vs Subscription) for each software title purchased.

Bidder must identify any third party components, including open source components included with or used in connection with the proposed Solution.

Bidder must provide a list of all mobile devices that are compatible with the Solution.

Bidder must provide list of features that can be performed via a mobile device.

Bidder must provide a detailed description of the Solution to be provided under the resulting Contract including, but not limited to, a detailed description of the proposed Software (name, type, version, release number, etc.), its functionality,

optional add-on modules and plugins, Contractor's services and the Solution ability to be rapidly configured or scaled as the State's business or technical demands change.

## 10. INTEGRATION

Contractor must integrate their solution to the following technologies:

Bidder must describe the overall approach and strategy for integrating the proposed solution with interfacing systems and agency partners described in this RFP. Bidder must describe integration architecture and methods, requirements on external systems, conformance with national or industry standards, and the approach to testing integration.

Bidder must describe the methods and tools for managing and monitoring integrations.

Organization Name	Information Type (PII, SSN, FTL, Confidential, Business Info., etc.)	System Integration and Destination of Information Sharing (source and target: where it's coming and where it is going)	Data Direction (Inbound, Outbound, Bi-directional)	Is Data Being Transferred Outside the State's Network? (Yes/No)	Connection Type or Method of Sharing (Intranet, Internet, GW-GW, DEG, USB, Email, Fax, etc.)	Business Function (why is this sharing needed?)	Data Vol
Michigan Department of Treasury	PII	Department of Treasury	Bi-directional	No	No	Employer registration for UI & Treasury taxes are submitted through Employer eRegistration Online application are transferred to Department of Treasury. The system must be able to electronically transmit the online business registration to the appropriate state agency (Treasury or Unemployment Insurance).	4000 - 5000
Michigan Labor Market Information (LMI)	PII	Michigan LMI	Outbound	No	SFTP/TLS/SSL	Employer Data to LMI. On a quarterly basis data is sent via a ftp put to LMI. This interface reports newly Inactivated Employers to an area called Labor Market Information (LMI) within DTMB.	7000 - 8000
NASWA Integrity Data Hub (IDH)	PII	IDH Hub	Bi-directional	Yes	Web Services	Submit data for cross-matching against IDH.	45000 - 70000 Month
Labor Market Information (LMI)	PII	Michigan LMI	Outbound	No	SFTP/TLS/SSL	On a monthly basis a job is executed to extract data about newly registered employers.	3000 - 5000
Michigan Dept of Health & Human Services (MDHHS)	PII	MiFTS - Enterprise File Transfer Service	Inbound	No	FTPS/TLS/SSL	The system must be able to electronically interface with the Michigan Department of Human Services to validate target group eligibility for WOTC program.	2500 - 4000
Michigan Rehabilitation Services (MRS)	PII	MiFTS - Enterprise File Transfer Service	Bi-directional	No	FTPS/TLS/SSL	The system must be able to electronically interface with Michigan Rehabilitation Services (MRS) to validate selected target group eligibility.	2500 - 4000

NASWA UI Interstate Connection Network (UI ICON)	PII	UI ICON Hub	Bi-directional	Yes	FTPS/TLS/SSL/Web services	Daily processes to handle in coming WRIS requests and replies. Daily processes to handle in coming Basic Icon requests and replies. Daily processes to handle in coming LIABLE requests and replies. Daily processes to handle in coming Health Care requests and replies.	50 - 3500
Michigan LEO Employment & Training	PII	MiFITS - Enterprise File Transfer Service	Outbound	No	FTPS/TLS/SSL	Weekly job is scheduled to send wage summary information.	500 - 700
Michigan LEO Employment & Training	PII	MiFITS - Enterprise File Transfer Service	Outbound	No	FTPS/TLS/SSL	On a monthly basis a job is executed which sends wage data to the MiFITS.	200 - 250
Michigan LEO Employment & Training	PII	MiFITS - Enterprise File Transfer Service	Outbound	No	FTPS/TLS/SSL	Additional Jobs to send wage data	600 - 1300
IRS	PII FTI	SFTP Client	Inbound	Yes	SFTP/TLS/SSL	Inbound file from the IRS	
IRS	PII FTI	SFTP Client	Bi-directional	Yes	SFTP/TLS/SSL	On a quarterly basis the IRS provides us with FEIN update data	
IRS	PII	SFTP Client	Inbound	Yes	SFTP/TLS/SSL	Cross match of FEIN numbers from IRS	



Michigan Department of Treasury/ CEPAS	PII	Centralized Electronic Payment Authorization System (CEPAS)	Bi-directional	Yes	Web Service	The system electronically interfaces with the Michigan Centralized Electronic Payment Authorization System (CEPAS) to process electronic tax and restitution payments submitted online through the employer/claim portal.	6000 - 10
Michigan Department of Treasury/ CEPAS	PII	Centralized Electronic Payment Authorization System (CEPAS)	Inbound	No	FTPS/TLS/SSL	The system must provide an electronic interface to the Michigan Department of Treasury to receive a posting file which includes electronic payment transmission from employers/claimants through the employer/claim web portal.	10 - 700
Bank Vendor	PII	Bank Vendor	Bi-directional	Yes	FTPS/TLS/SSL	FTP – (monthly) Banking vendor provides and receives files with claim benefits check cashing data.	
Bank Vendor	PII FTI	Bank Vendor	Inbound	Yes	FTPS/TLS/SSL	Bank is the Financial Institution receives tax payments and transmits a file to application. Bank transmits and receives UI bank account data.	
Bank Vendor	PII	Bank Vendor	Outbound	Yes	FTPS/TLS/SSL	Bank also receives on a daily basis a file containing the paper checks which were issued that day used to verify check number and amounts	
Bank Vendor	PII	Bank Vendor	Bi-directional	Yes	FTPS/TLS/SSL	Receives UI payment data files. Transmits debit card file data.	

Bank Vendor	PII	Bank Vendor (Lockbox)	Inbound	Yes	FTPS/TLS/SSL	Lockbox File: Receive a nightly batch of reports, payments and MI Tax Credit files from the lockbox and convert into Report Batches, Payment Batches and transaction worksheets (which will post the MI Tax Credit). Reports that come in with payments will be associated by batch and sequence number in the UIA system.	
Department of Labor (Sun Server)	PII	Department of Labor (Sun Server)	Outbound	Yes	SFTP	Data Validation involves sending various populations of data from the UIA system	
Federal Reserve Bank (FRB) Services	Business Info.	Federal Reserve Bank (FRB) Services	Inbound	No	SFTP	Process loads Bank Routing Numbers into web application for verification.	
UIA Multi-Service Center (MSC)	PII	Print Center (UIA MSC)	Outbound	No	SFTP/TLS/SSL	Files for printing.	
DTMB Consolidated Print Center (CPC)	PII	Print Center (CPC)	Outbound	No	SFTP/TLS/SSL	This interfaces with Consolidated Print Center used by UIA for its printing and mailing services needs which has a volume of 100,000 or more to communicate with Claimants and Employers.	
Automotive Employer #1	PII	Automotive Employer #1	Bi-directional	Yes	SFTP/TLS/SSL	EFC (Employer Filed Claims) - The purpose of this interface is for Automotive Employer to submit Claims (EFC) electronically via FTP. Big three employers routinely lay-off a number of employees, to submit Claims on behalf of their laid-off employees.  SUB (Supplemental Unemployment Benefits) Pay - The purpose of this interface is to send Subpay data to employer. Subpay data includes information on	EFC: 100 Day SUB Pay per Week

						payments issued to claimants who list this employer as one of their employers.	
Automotive Employer #2	PII	Automotive Employer #2	Bi-directional	Yes	SFTP/TLS/SSL	<p>EFC (Employer Filed Claims) - The purpose of this interface is for Automotive Employer to submit Claims (EFC) electronically via FTP. Big three employers routinely lay-off a number of employees, to submit Claims on behalf of their laid-off employees.</p> <p>SUB (Supplemental Unemployment Benefits) Pay - The purpose of this interface is to send SUBpay data to employer. Subpay data includes information on payments issued to claimants who list this employer as one of their employers.</p>	EFC: 300 Week SUB Pay per Week
Payroll Processor	PII	Payroll Processor	Outbound	Yes	SFTP/TLS/SSL	<p>Monetary Determinations - The purpose of this interface is to send Monetary Determinations data to processor electronically via secured FTP on a daily basis.</p> <p>Benefit Charges (1136) File - The purpose of this file is to send details of all the Benefit charges (unemployment benefits that were paid to former employees who successfully filed a claim).</p> <p>Monetary Determinations &amp; BC-1136 files for processor will include data of the following Employers:          Employers who have provided General Power of Attorney (POA) to Equifax or          Employers who have provided Limited Power of Attorney (POA) to Equifax with the following options:          - Receive Claims Control Form and/or          - Receive Contested Claims Form</p>	Mon Det Day 1136 File per Week

Enterprise Content Management (ECM) - Document Management	PII	Document Management	Bi-directional	No	HTTPS (launches an internet browser window when users select an image to view)	Document processing and viewing	
Imaging Workflow Vendor	PII	Imaging Workflow Vendor	Inbound	Yes	FTPS	The system must be able to scan and digitally index incoming correspondence. The system creates a file with index information for transmission to FileNet to UIA system. The system accepts files from UIA system containing index information.	
Work Distribution Center (WDC) - Imaging Workflow Application	PII	Imaging Workflow Application	Outbound	Yes	FTPS	Creates image and index data for transmission to FileNet to UIA system. Receives index data file from UIA system. Incoming correspondence is imaged at WDC and transmitted to FileNet. Index information for those images are transmitted to UIA system and associated to claimants so that images can be brought up in FileNet by clicking on a link in UIA system.	
Michigan File Transfer Service (MiFTS)	PII	We have several internal and external partners use FTS interface to exchange data files. Some of the internal partners are DHHS, Treasury, etc. and external customers are Ford, USPS, etc.	Bi-directional	Yes	SFTP	The File Transfer Service (FTS) is a DTMB managed file transfer system that stores and forwards files between State of Michigan agencies and internal and external trading partners. The FTS has front-end servers running SSLFTP (FTPS), SFTP and Web services in the DMZ, Zone 2, and Vendor-Net security zones. We have several internal and external partners use FTS interface to exchange data files. Some of the internal partners are DHHS, Treasury, etc. and external customers are Ford, USPS, etc.	
Automotive Employer #3	PII	Automotive Employer #3	Bi-directional	Yes	FTPS/TLS/SSL	EFC (Employer Filed Claims) - The purpose of this interface is for employer to submit Claims (EFC) electronically via FTP. Big three employers routinely lay-off a number of employees, to submit Claims on behalf of their laid-off employees.	EFC: 1 - SUB Pay per Week Mon Det

						<p>SUB (Supplemental Unemployment Benefits) Pay - The purpose of this interface is to send SUBpay data to employer. Subpay data includes information on payments issued to claimants who list employer as one of their employers.</p> <p>Monetary Determinations - The purpose of this interface is to send Monetary Determinations data to employer electronically via secured FTP on a daily basis.</p> <p>Benefit Charges (1136) File - The purpose of this file is to send details of all the Benefit charges (unemployment benefits that were paid to former employees who successfully filed a claim).</p>	1136 File per Week
Data Analytics Vendor	PII	GeoIP - IP intelligence and proxy detection	Bi-directional	Yes	Web Services	This interface send IP address to vendor and they send back location about the IP's physical location and more and it is used for fraud analysis and processing.	
NASWA State Information Data Exchange System (SIDES) E-Response	PII	State Information Data Exchange System (SIDES) E-Response	Bi-directional	Yes	Web Services/HTTPS	The purpose of this interface with State Information Data Exchange System (SIDES) for the Michigan Unemployment Insurance Agency to electronically request and receive separation information from employers and third party administrators participating in the SIDES program.	7000 - 14
US Dept of Treasury Bureau of Financial Management Services (FMS) Taxpayer Offset Program (TOP)	FTI	Taxpayer Offset Program (TOP)	Outbound	Yes	FTPS/TLS/SSL	TOP is a centralized debt collection program developed by the Financial Management Service (FMS). Its purpose is to assist agencies in the collection of delinquent debts owed to the Federal Government from various sources such as Federal Income Tax refunds, federal salary offset, and payments from other government agencies.	5000 - 23

Systematic Alien Verification for Entitlements (SAVE)	PII	SAVE, US Citizen and Immigration Services (USCIS)	Bi-directional	Yes	Web Services/FTPS/TLS/SSL	Claims filed request citizenship information. When a claimant is indicated as not a citizen, alien documentation information is requested. If the alien information is provided and permission to have the information is granted, UIA will send the claimant's alien number(s) information and benefit code to SAVE using this web service's Initial Verification by Alien number method to request verification information. If verified, the claim's alien documentation is updated as verified.	800 - 100
US Dept of Labor Employment and Training Administration (ETA)	PII	ETA Reports, US Department of Labor (DOL)	Outbound	Yes	SUN Systems	The Unemployment Insurance Agency is required to submit Employment & Training Administration (ETA) reports on a regular ongoing basis. These ETA reports contain aggregated data covering a prescribed period. Annually, Data Validation must also be performed with Population data that is validated for count and random sampling to ensure accuracy.	
National Change of Address (NCOA), USPS	PII	National Change of Address, United States Postal Service (USPS)	Inbound	Yes	FTPS/TLS/SSL	This USPS National Change of Address (NCOA) interface file contains fixed width text records containing the name, old address, and new address for any pieces of mail where there was a change of address on record with the US Postal Service.	
Michigan Automated Response Voice Interactive Network (MARVIN)	PII	MARVIN Interactive Voice Response	Bi-directional	Yes	Web Services	MARVIN, which stands for "Michigan's Automated Response Voice Interactive Network" is an automated computer system that lets people who are collecting unemployment report (or "certify") to UIA by telephone.	85000 - 1 Month
Telephone Filed Claims (TFC) and Customer Services	PII	Interactive Voice Response (IVR)	Bi-directional	Yes	Web Services	Claimants can file a new claim or reopen an existing claim for benefits by calling toll-free telephone number or talk to an UI agent for Customer service. Employers can get details about their account or talk to	11000 - 1 Month

						an UI agent for Customer service by calling toll-free telephone number.	
SMS Services		SMS Services	Bi-directional	Yes		Multi-factor authentication	
MILogin - MWCI SSO		MILogin	Bi-Directional	Yes	Web Services	Interface with MILogin, which is the state's Enterprise Single-Sign-On service that provides authentication for users accessing the system.	2400000 Month
Enterprise LDAP		Enterprise LDAP				Authentication protocol for Enterprise LDAP, which is part of the MILogin services.	
Email Services		Email Services				SOM enterprise SMTP server provided by DTMB for all servers in the state hosting centers.	
Data Warehouse		Data Warehouse	Outbound	No		Treasury to query their database to get the information.	
AI Chatbots		AI Chatbots	N/A				
Data Analytics		Analytics Platform	Outbound			Data Dashboard	

Data Analytics		Analytics Platform	Outbound		Connection between Imaging and UIA system	Data Dashboard (Take data using UIA system APIs and stores in SQL DBs)	
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## 11. MIGRATION

### Activities

- Develop a detailed Conversion and Migration Plan and coordinate all conversion activities.
- Convert/Migrate Data - Work closely with the designated resource (e.g., incumbent Vendor or the SOM technical staff) to create data conversion algorithms, and data maps, identify impacts on existing systems and develop procedures for handling problems such as invalid formats of data values requiring validation.

### Work Product

The Data Conversion and Migration Plan – Describes the scope and approach to converting and migrating legacy application documents and data, where applicable, into the new UI solution. The Data Conversion and Migration Plan will define the following (at a minimum):

- a) Scope and approach
- b) Data structure, volume, and quality
- c) Data mapping between source to target data for all fields to be converted
- d) Data transformation rules
- e) Testing approach
- f) Data validation process and exception reports
- g) Communication plan(s)

Contractor must migrate the data identified in the table below:

Current Technology	<b>MS SQL Server 2017</b>
Data Format relative to the database technology used.	<b>Mdf, Idf, .bak, trn</b>
Number of data fields to give Contractor awareness of the size of the schema.	<b>2,277,783</b>
Number of Records	<b>84,605,311,167</b>
Database current size.	<b>PROD total: 252.3TB</b>

### Bidders must

- a) Describe the strategy and level of involvement for migrating data from the SOM source systems into the proposed solution. This section shall also include the following information (at a minimum):
  - i) Description of the methodology to be used in developing migration specifications and the identification of any potential issues.
  - ii) Describe any constraints and risks associated with data migration for this project and how the Vendor will address these to ensure a successful migration.
  - iii) Technology and tools to be used.
  - iv) Roles and responsibilities of Bidder vs. the SOM and other stakeholders.
  - v) Any iterative data migration proposed, including proposed number of mock runs for data migration.
  - vi) Description of anticipated work sessions with the SOM staff to validate and test the migration.
  - vii) Bidder's previous experience migrating data from legacy source systems, including identifying any proposed staff that has experience in this area.

Bidder must explain how it will be able to support the current and future growth of the Solution's data.

Bidder must also explain how the proposed Solution's environment can scale up or down without affecting performance. Bidder must provide the cost for such migration in their cost proposal.

Contractor must review and explain how the solution will migrate data to their solution.

The database may be increased at the time of transition, if required by the State.

12. TRAINING SERVICES

The Contractor will be responsible for delivering training and knowledge transfer services. The Contractor must provide administration and end-user training for implementation, go-live support, and transition to customer self-sufficiency. The following list identifies the minimum activities and work products the Contractor is responsible for:

- **Key Activities and Work Products:** Prepare a Training Plan, detailing the training methodology, approach for delivering training to different stakeholder groups of trainees, and the courses used for each stakeholder group. The Training Plan describes the approach for delivering training during the project lifecycle, The Training Plan will define the following, at a minimum:
  - Course list
  - Target audience and role descriptions
  - Specific learning objectives for each user and related support role to be used to assess the readiness of users to perform their expected roles
  - Lists of materials, facilities standards, equipment, user profiles, access procedures, work samples, and other items needed for each training session; this list should include any items the State is expected to provide
  - Training schedule and calendar indicating the specific attendees and work locations for all user training sessions; the calendar will also indicate any planned phases or iterations in the delivery of training
    - Completion of training no more than thirty (30) days prior to production cutover for go-live.
- Develop detailed training curriculum, prepare training materials and training aids, and deliver training to users, technical staff and personnel who will be responsible for training new end users. Training curriculum and materials will define the following (at a minimum)
  - Course presentation materials/ user manuals
  - Course presentation materials current with the solution configuration and production release
  - Recorded training videos
  - Student training exercises for both solution and business process workflows
  - Training assessment materials (before and after training)
  - Simulation data for use during training exercises
  - Solution guide describing the key features and aspects of the new solution, e.g.,
    - Commonly used features
    - Challenging features
- Deliver training courses defined in the Training Plan and a Training Completion Report. The Training Completion Report describes the results of training courses delivered as described in the Training Plan. The Training Completion Report will define the following (at a minimum):
  - Summary of training provided, including the course, date, and attendees
  - Summary of the training exercises results
  - General observations of completed training and future training recommendations

Training satisfaction survey results; the survey is to be distributed to all training attendees  
 Training materials delivered by the Contractor will become the property of the State and available for unlimited use upon completion of Training.

Specification Number	Specification Description	Specification Example	Specification
What type of training will be needed?	End User Training	Yes	
	Administrator Training		

Yes

	Administrative Access Training	
	Other Training	
	Other Training	Yes - public
How will training be delivered, by type of training?	End User Training: Classroom, Online or both	Both
	Administrative Access Training: Classroom, Online or both	Both
	Other Training: Classroom, Online or both	Online
How many individuals will need to be trained?	Participants for End User Training:	2550
	# Classroom	
	# Online	
	Participants for Administrative User Training	50
	# Classroom	
	# Online	
	Participants for Other Training	Public online training materials, videos, tutorials, etc...
	# Classroom	
# Online		
Are there dates that don't work or any other training considerations?		November & December

The Bidder must provide available training options and include details such as: typical class size, materials to be provided, class duration, on-site or web based. The Bidder must provide a training plan for go-live support and transition to self-support, including options and details such as the number of dedicated personnel, staff location, hours available and duration of go-live support.

Bidder must provide details on, and examples of, clearly written instructions and documentation to enable State administrators and end-users to successfully operate the Solution without needing to bring in additional Bidder support.

Bidder must provide a response to the specific training requirements identified above.

13. TRANSITION RESPONSIBILITIES

Bidder must provide a detailed transition-in and transition-out plan in Schedule G – Transition In and Out Plan, including any roles or responsibilities expected of the State. The plan must demonstrate the steps to migrate between Bidder’s Solution and third-party Solutions.

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**14. DOCUMENTATION**

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

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

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

Bidder must provide details on, and examples of, documentation to meet the requirements set forth in this section.
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**15. ADDITIONAL PRODUCTS AND SERVICES**

Bidder must describe additional Solution functionality, products or services that the State specifications do not address but are necessary to implement and support this solution.
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**16. CONTRACTOR PERSONNEL**

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

<b>Contractor</b>
Name
Address
Phone
Email

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

<b>Contractor</b>
Name
Address
Phone
Email

**Contractor Project Sponsor.** Contractor executive resource who is responsible to be main point of contact for communications to State Executives on project status and contract management.

<b>Contractor</b>
Name
Address
Phone
Email

Classification	Skill Set	Years of Experience
	[Read and delete: include list of required skill set.]	[Read and delete: include list of required skill set.]
Business Analyst		

Technology Related Developers		
Training Technical Lead		
UI/UX Specialist		

17. CONTRACTOR KEY PERSONNEL

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

<b>Contractor</b>
Name
Address
Phone
Email

**Contractor Business Analyst.** Contractor to provide name of individual who will be responsible for leading requirements elicitation, documenting requirements (product backlog) and completing analysis for considered changes.

<b>Contractor Key Personnel</b>
Name
Address
Phone
Email

**Contractor Technical Lead.** Contractor to provide name of individual responsible for the technical oversight and direction for all aspects/ of the solution and project. This person must have experience with data migration, system integration, and leading similar project of similar size and scope.

<b>Contractor Key Personnel</b>
Name
Address
Phone
Email

**Contractor Functional/Implementation Lead.** Contractor to provide name of individual responsible for functional and implementation oversight for all aspects of the project.

<b>Contractor Key Personnel</b>
Name
Address
Phone
Email

18. CONTRACTOR PERSONNEL REQUIREMENTS

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

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

Contractor will be required to sign a Data Sharing Agreement (DSA) if awarded contract.

Contractor will be required to sign a Data Governance Agreement if awarded contract.

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

**Offshore Resources.**

Bidder must describe if they are proposing to use offshore resources in the performance of the work and the specific work that they will be performing.

**Disclosure of Subcontractors.** If the Contractor intends to utilize subcontractors, the Contractor must disclose the following:

- The legal business name; address; telephone number; a description of subcontractor’s organization and the services it will provide; and information concerning subcontractor’s ability to provide the Contract Activities.
- The relationship of the subcontractor to the Contractor.
- Whether the Contractor has a previous working experience with the subcontractor. If yes, provide details of that previous relationship.
- A complete description of the Contract Activities that will be performed or provided by the subcontractor.
- Geographically Disadvantage Business Enterprise Sub-Contractors: If the Contractors plan to utilize Subcontractors to perform more the 20% of the deliverables under this Contract, at least 20% of that Subcontractors work must be awarded to Michigan-based Geographically Disadvantaged Business Enterprises (GDBE). Contractor will submit a plan detailing all Subcontractors to be used, including the percentage of the work to be done by each. Contractor must inform the State to the name and address of the GDBE, the percentage of the work they will complete, the total amount estimated to be paid to the GDBE, and provide evidence for their qualifications as a GDBE. If Contractor cannot find GDBE Subcontractors to meet this requirement they must provide reasoning and justification to receive an exemption from this requirement from the State. (Existing business relationships will not be an approved reason for this.)

Bidder to confirm review of the above requirement and confirm in writing that Bidder agrees without exception. If Bidder does have an exception, please explain in detail the exception.

**Bidder must provide detailed information as requested in the above requirement(s).**

<b>The legal business name, address, telephone number of the subcontractor(s).</b>	
<b>A description of subcontractor’s organization and the services it will provide and information concerning subcontractor’s ability to provide the Contract Activities.</b>	
<b>The relationship of the subcontractor to the Bidder.</b>	
<b>Whether the Bidder has a previous working experience with the subcontractor. If yes, provide the details of that previous relationship.</b>	
<b>A complete description of the Contract Activities that will be performed or provided by the subcontractor.</b>	

<b>Of the total bid, the price of the subcontractor's work.</b>	
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19. STATE RESOURCES/RESPONSIBILITIES

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

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

<b>State Contract Administrator</b>
<b>Name</b>
<b>Phone</b>
<b>Email</b>

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

<b>DTMB Program Manager</b>
<b>Name</b>
<b>Phone</b>
<b>Email</b>

<b>Agency Program Manager</b>
<b>Name</b>
<b>Phone</b>
<b>Email</b>

20. MEETINGS

At start of the engagement, the Contractor Project Manager must facilitate a project kick off meeting with the support from the State's Project Manager and the identified State resources to review the approach to accomplishing the project, schedule tasks and identify related timing, and identify any risks or issues related to the planned approach. From project kick-off until final acceptance and go-live, Contractor Project Manager must facilitate weekly meetings (or more if determined necessary by the parties) to provide updates on implementation progress. Following go-live, Contractor must facilitate monthly meetings (or more or less if determined necessary by the parties) to ensure ongoing support success.

The Contractor must attend meetings, at a location and time, as requested by the State, at no additional cost to the State:

- Executive Monthly Meeting

<p>Bidder must describe how they will meet the meeting requirements set forth above and note any exceptions for successful implementation and ongoing support of the Solution.</p> <p>If Bidder has an alternative planned approach for project meetings provide details, including purpose, roles and responsibilities, and proposed frequency.</p>
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21. PROJECT CONTROL & REPORTS

Once the Project Kick-Off meeting has occurred, the Contractor Project Manager will monitor project implementation progress and report on a weekly basis to the State's Project Manager the following:

- Progress to complete milestones, comparing forecasted completion dates to planned and actual completion dates
- Accomplishments during the reporting period, what was worked on and what was completed during the current reporting period
- Indicate the number of hours expended during the past week, and the cumulative total to date for the project. Also, state whether the remaining hours are sufficient to complete the project
- Tasks planned for the next reporting period
- Identify any existing issues which are impacting the project and the steps being taken to address those issues
- Identify any new risks and describe progress in mitigating high impact/high probability risks previously identified
- Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.

All Contractors must submit and enter weekly timesheets into the State of Michigan's Project Portfolio Management tool, Clarity PPM, for approval and reporting. The weekly Clarity PPM timesheet will contain hours worked for assigned project tasks.

Bidder must describe specific reports the Contractor will provide after contract execution and during the lifecycle of the contract, including all required scheduled reporting and details around the how and when metrics are captured. Bidder to provide sample status report template.

## 22. PROJECT MANAGEMENT

The Contractor Project Manager will be responsible for maintaining a project schedule (or approved alternative) identifying tasks, durations, forecasted dates and resources – both Contractor and State - required to meet the timeframes as agreed to by both parties.

Changes to scope, schedule or cost must be addressed through a formal change request process with the State and the Contractor to ensure understanding, agreement and approval of authorized parties to the change and clearly identify the impact to the overall project.

### **SUITE Documentation**

In managing its obligation to meet the above milestones and deliverables, the Contractor is required to utilize the applicable [State Unified Information Technology Environment \(SUITE\)](#) methodologies, or an equivalent methodology proposed by the Contractor.

SUITE's primary goal is the delivery of on-time, on-budget, quality systems that meet customer expectations. SUITE is based on industry best practices, including those identified in the Project Management Institute's PMBoK and the Capability Maturity Model Integration for Development. It was designed and implemented to standardize methodologies, processes, procedures, training, and tools for project management and systems development lifecycle management. It offers guidance for efficient, effective improvement across multiple process disciplines in the organization, improvements to best practices incorporated from earlier models, and a common, integrated vision of improvement for all project and system related elements.

While applying the SUITE framework through its methodologies is required, SUITE was not designed to add layers of complexity to project execution. There should be no additional costs from the Contractor, since it is expected that they are already following industry best practices which are at least similar to those that form SUITE's foundation.

SUITE's companion templates are used to document project progress or deliverables. In some cases, Contractors may have in place their own set of templates for similar use. Because SUITE can be tailored to fit specific projects, project teams and State project managers may decide to use the Contractor's provided templates, as long as they demonstrate fulfillment of the SUITE methodologies.

The Bidder is required to review <http://www.michigan.gov/suite> and demonstrate how each PMM/SEM requirement will be met. Bidders wishing to use their own documents must submit an example of the document that will be substituted. If the



Bidder deems a document to be non-applicable, please provide reasons for the determination. The State reserves the right to give final approval of substituted documents and items marked as non-applicable.

*Milestones/Deliverables for Implementation*

The State's proposed milestone schedule and associated deliverables are set forth below.

Milestones	Deliverables/Work Products	Accept as Defined or Modifications Proposed	Proposed Changes (as necessary)	Acceptance Criteria	Proposed Timeline
<b>Project Planning &amp; Management</b>	1. Project Kickoff Materials	<i>Ex. Accept as defined</i>	<i>n/a</i>	<i>Define acceptance criteria for the deliverable</i>	
	2. Project Management Plan	<i>Ex. Accept as defined</i>	<i>n/a</i>	<i>Define acceptance criteria for the deliverable</i>	
	3. Project Deployment Plan	<i>Ex. Modifications Proposed</i>	<i>We propose that the Change Management Plan include x, y, z.</i>	<i>Define acceptance criteria for the deliverable</i>	
	4. Baseline Project Schedule				
	5. Configuration Management Plan				
	6. Stakeholder Outreach and Communication Plan				
	7. Deliverable Expectation Documents (DEDs)				
<b>Requirements &amp; Design Validation</b>	Validation Sessions				
	Final Requirement Validation Document				
	Final Design Document				
	Final Implementation Document				
<b>Enterprise Analysis and Design</b>	1. Requirements Traceability Matrix				
	2. Conceptual Design Documentation				
<b>Provision Environments</b>	1. Validate Test and Production environments				
<b>Build (Development and Configuration)</b>	1. Solution Implementation Plan				
	a. Security Plan				

	b. Disaster Recovery and Business Continuity Plan				
	c. Infrastructure Support Plan				
	2. Final Solution and Testing Document				
	3. Data Conversion and Migration Plan				
	4. Integration Plan				
	5. Cutover Plan				
<b>Testing &amp; Acceptance</b>	1. Test Plan				
	2. Test Cases and Test Scripts				
	3. System Integration Test Results				
	4. UAT Support and UAT Results				
	5. Final Test Results Report				
	6. Final Training Documentation				
	7. Final Acceptance				
<b>Training &amp; Knowledge Transfer</b>	1. Training Plan				
	2. Training Curriculum and Materials				
	3. Training Completion Report				
<b>Cutover Readiness and Production Go-Live</b>	1. Readiness Report				
	2. Updated Project Implementation Plans				
	3. Final As-Built System Documentation				
	4. Technical Documentation for Knowledge Transfer				
	5. Updated Cutover Plan and Schedule				
	6. Cutover Completion Report				
<b>Post Production Warranty</b>	Included in the cost of Solution				
<b>Post Go-Live and Transition to Support</b>	1. Service-Level Performance Dashboard				
	2. Project Closeout Report				

	3. Monthly Production Support Templates				
	4. Support ongoing after Final Acceptance				

Bidder may propose alternative timeframes and deliverables, but Bidder must provide an explanation as to why the State’s schedule and associated deliverables is not feasible.

Bidder must provide a Work Breakdown Structure (WBS) that corresponds with the milestone dates set forth above (or with Bidder’s alternatively proposed schedule). The WBS must be detailed enough to identify all State and Contractor responsibilities.

Bidder must describe how they will meet the requirements set forth above and note any exceptions for successful implementation and ongoing support of the Solution.

**23. ENVIROMENTAL AND ENERGY EFFICIENCY PRODUCT STANDARDS**

**Environmental and Energy Efficiency Product Standards** The Contractor must provide products that meet the following environmental or energy efficiency standards: [add details]. Contractor must describe how products that meet these requirements are identified or otherwise labelled.

Bidder to confirm that they meet this requirement and agree with no exception.

If Bidder does have an exception, please note all exceptions below.

Bidder must describe how products that meet these requirements are identified or otherwise labelled.

**(OR)**

The Contractor must identify any energy efficient, bio-based, or otherwise environmentally friendly products used in the products. Contractor must include any relevant third-party certification, including the verification of a United States Department of Agriculture certified bio-based product label. Contractor must describe how products that meet these requirements are identified or otherwise labelled.

Bidder to confirm that they meet this requirement and agree with no exception.

If Bidder does have an exception, please note all exceptions below.

Bidder must provide detailed information as required above – either in this response box or identified here as an attachment to this RFP.

**Hazardous Chemical Identification**

In accordance with the federal Emergency Planning and Community Right-to-Know Act, 42 USC 11001, *et seq.*, as amended, the Contractor must provide a Material Safety Data Sheet listing any hazardous chemicals as defined in 40 CFR §370.2, to be delivered. Each hazardous chemical must be properly identified, including any applicable identification number, such as a National Stock Number or Special Item Number.

The Contractor must identify any hazardous chemicals that will be provided under any resulting contract.

Bidder must confirm the above requirement and agree no exception.

**Mercury Content**

Pursuant to MCL 18.1261d, mercury-free products must be procured when possible. The Contractor must explain if it intends to provide products containing mercury, the amount or concentration of mercury, and whether cost competitive alternatives exist. If a cost competitive alternative does exist, the Contractor must provide justification as to why the particular product is essential. All products containing mercury must be labeled as containing mercury.

Bidder must confirm the above requirement and agree no exception.

**Brominated Flame Retardants**

The State prefers to purchase products that do not contain brominated flame retardants (BFRs) whenever possible. The Contractor must disclose whether the products contain BFRs. Contractor must describe how products that meet these requirements are identified or otherwise labelled.

Bidder to confirm that they meet this requirement and agree with no exception.

If Bidder does have an exception, please note all exceptions below.

**Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)**

The Contractor must confirm that the provided products do not intentionally contain PFAS. This consists of all components of the provided products, including product packaging.

Bidder must confirm the above requirement and agree no exception.

**(OR)**

The Contractor must disclose whether a product or its components contain intentionally added PFAS. If the product or its components contain intentionally added PFAS the Contractor must:

- a. provide an explanation with respect to the intentionally added PFAS contents, including the purpose for which PFAS are used in the product or its components, the types of PFAS used in the product or its components, and the amount of each PFAS used in the product or its components.
- b. indicate whether the product will be labeled or packaged with information about the intentionally added PFAS contents.
- c. identify any alternative products that do not contain intentionally added PFAS.

provide any additional information that would further the Department's implementation of [ED 2021-08](#).

Bidder to confirm that they meet this requirement and agree with no exception.

If Bidder does have an exception, please note all exceptions below.

Bidder must provide detailed information as required above – either in this response box or identified here as an attachment to this RFP.

**24. ORGANIZATIONAL CHANGE MANAGEMENT (OCM) (OPTIONAL)**

The State recognizes that implementing a new UI application may require the State to modify existing business processes, roles and responsibilities, and organization to maximize the effectiveness of the new UI application.

The Bidder is expected to work with the State to identify required changes, support, develop, or modify businesses process, support or develop communication plans that effectively communicate the need for change to the State and its constituents, and implement the new business process.

The following table indicates the anticipated responsibility of the Bidder.

<b>Roles and Responsibilities</b>	<b>Bidder</b>	<b>State</b>
<b>Organizational Impact</b>		
1. Develop Change Readiness Strategy and Objectives	X	
2. Evaluate Organizational Transition Impact (e.g., user guides, training, new process flows, reclassification, staff displacement)	X	
3. Define organizational alignment and action/sponsorship plans	X	
4. Execute Organizational Change Management plan	X	
<b>Stakeholder Management</b>		
5. Coach and develop Change Team structure, roles and responsibilities and work plan	X	
6. Support performing stakeholder assessment	X	
7. Support development of leadership alignment strategy	X	
8. Support development of stakeholder engagement strategy	X	
9. Support development of stakeholder communication plan	X	
10. Support performing impact and readiness assessment	X	
11. Support refreshing change mgmt. plan Release 2	X	
12. Support impact and readiness assessment refresh	X	
13. Support stakeholder communication plan (refresh)	X	
14. Support change management plan (refresh) Release 3	X	

15. Support impact and readiness assessment refresh	X	
16. Support stakeholder communication plan (refresh)	X	
17. Support change management plan (refresh)	X	
<b>Define Roles and Responsibilities</b>		
18. Evaluate roles and responsibilities based on the UI implementation plans	X	
19. Identify Super Users		X
20. Support strategies to account for gaps in roles and responsibilities based on UI implementation (IT and Business)	X	
<b>Training and Knowledge Transfer</b>		
21. Perform learning needs assessment	X	
22. Develop knowledge transfer plan	X	
23. Develop training strategy	X	
24. Develop course curriculum and material	X	
25. Deliver knowledge transfer and hands-on training to all end users in a test environment using the State's data	X	
<b>Team Communication</b>		
26. Provide a communication process	X	
27. Develop Key Messages	X	
28. Provide communication vehicles		X
29. Determine communication schedule/frequency		X
30. Determine Change Readiness Metrics	X	
<b>Compliance and Regulation</b>		
31. Assess the technical environment for all regulatory mandates affecting the State		X
32. Documenting service-level objectives and requirements		X
33. Define and approve overall operations and administration policies and obtain the State's approval		X
34. Define and approve overall technical support policies and procedures and obtain the State's approval		X
35. Provide recommendations to comply with State compliance and regulatory requirements	X	

In addition, the State is requesting the Bidder define their OCM services and capabilities included in their delivery and implementation methodology that is already accounted for in their base cost to support the success of the Project. In

addition, the State is requesting the Bidder to define any optional OCM services available to the State. The State may, in its sole discretion, contract with the selected Bidder for optional OCM services.

The Bidder's description of its approach to organizational change management and training services must include the following for each of the components below: the method to identify and determine the degree of process change, the process criticality, the number of people impacted, and engage stakeholders and addressing change-related issues throughout the project lifecycle.

- Business Change Management
- Stakeholder Engagement and Management
- Cultural Change Management
- Communications Program Development and Execution

Bidder Response (Describe Bidder OCM services included in base price items, to include methodology, related activities and deliverables.

#### 25. REQUIREMENTS VALIDATION

Bidder must describe approach to requirements validation.

#### 26. ADDITIONAL INFORMATION

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

SCHEDULE A – TABLE 1 - Business Specification Worksheet  
**Instructions for Completing the Business Specifications Worksheet**

Contractors must respond to each business Specification on how they will meet the requirements in the document provided. Contractor must not alter the document.

The Business Specifications Worksheet contains columns and is defined as follows:

**Column A:** Business Specification number.

**NOTE:**

- If there is a “**Mandatory Minimum**” section included in the Business Specifications Worksheet, any items listed under this section must be met by the Contractor to avoid disqualification. Further, Contractor must provide adequate documentation to support such Mandatory Minimum requirements. **This is a pass/fail section.**
- The “**Required**” section of the Business Specifications Worksheet lists items that the State requires to be part of the Solution. “Required” items will be evaluated and scored upon per the State evaluation process.
- The “**Optional**” section of the Business Specifications Worksheet lists items that are not required at the time of the solicitation but may be desired by the State in the future. Such “Optional” items will be evaluated and used in a best value award recommendation

**Column B:** Requirement Subsection 1

**Column C:** Requirement Subsection 2

**Column D:** Business Specification description.

**Column C:** Contractor must indicate how it will comply with the business Specification. Contractor must enter “**Y**” to one of the following:

- **Current Capability** – This capability is available in the proposed Solution with no additional configuration or cost
- **Requires Configuration** – This capability can be met through Contractor-supported changes to existing settings and application options as part of the initial implementation at no additional cost (e.g., setting naming conventions, creating user-defined fields).
- **Customizations to Software Required** – The requirement can be met through Contractor modifying the underlying source code, which can be completed as part of the initial implementation.
- **Future Enhancement** – This capability is a planned enhancement to the base software and will be available within the next 12 months of contract execution at no additional cost.
- **Not Available** – This capability is not currently available, and a future enhancement is not planned.

**NOTE:** Configuration is referred to as a change to the Solution that must be completed by the awarded Contractor prior to Go-Live but allows an IT or non-IT end user to maintain or modify thereafter (i.e. no source code or structural data model changes occurring).

Customization is referred to a modification to the Solution's underlying source code, which can be completed as part of the initial implementation. All configuration changes or customization modifications made during the term of the awarded contract must be forward-compatible with future releases and be fully supported by the awarded Contractor without additional costs.

Contractor must understand that customizations (i.e. changes made to the underlying source code of the Solution) may not be considered and may impact the evaluation of the Contractor's proposal.

**Column D:** The Contractor must also fully disclose how they will meet the requirements in their proposal response. This column is for Contractor to describe how they will deliver the business Specification and if the Contractor proposes configurations or customizations, the Contractor must explain the details of the impacted risk that may be caused if configured or customized to meet the business Specification. Description should not be no more than 250 words for each business Specification.



B	C	D	E					F
Requirement Subcategory 1	Requirement Subcategory 2	Business Specification	Current Capability	Requirements Configuration	Requirements Customization	Future Enhancements	Not Available	Contractor must explain how they will deliver the Business Specification. Contractor must explain the degree of configuration/customization and the impacted risk caused if configured or customized to meet the Business Specification. Failure to explain how requirements could result in deduction of points.
	<p>Five (5) years of experience with configuration/development, implementation, and integration of a solution(s) with at least three (3) departments in the U.S. of similar in business capabilities, size, complexity to scope of this RFP.</p> <ul style="list-style-type: none"> <li>• Years of experience must be for a total elapsed five years (e.g., 3 concurrent 2-year projects in the last 2 years would not meet this minimum requirement).</li> <li>• Similar business capabilities, complexities and scope include</li> </ul>							
	<p>Bidder's solution must include, but is not limited to, the following functionalities: claims and/or benefit</p>							

		application, case management, fraud detection, finance, and reporting functionality.						
Register and Manage Employer Accounts	Register Employer Account	The solution will allow Employers and Third Party Administrators (TPAs) to register online.						
Register and Manage Employer Accounts	Register Employer Account	The solution will capture registration data (e.g., Federal Employer Identity Number, Primary Address, Secondary Address, TPA information, Business Entity Name, POA).						
Register and Manage Employer Accounts	Register Employer Account	The solution will prevent/flag the Employer from creating non-liable accounts including notifying the Employers if their account is non-liable.						
Register and Manage Employer Accounts	Update Employer Account Information	The solution will allow an Employer or TPA to update their account information online (e.g., contact information).						
Register and Manage Employer Accounts	Update Employer Account Information	The solution will allow staff to update Employer account information via phone, mail, and fax (e.g., Wage Information, Multi-State Employment, Penalties, Interests).						
Register and Manage Employer Accounts	Activate/Reactivate Account	The solution will allow the Employer to reactivate closed accounts online based on the State's business rules.						
Register and Manage Employer Accounts	Close Account	The solution will allow the Employer and State Staff to close the accounts online based on the State's business rules.						
Manage Employer Taxes	Determine Unemployment Tax Rate	The solution will calculate and assign the tax rates for Employers based on the regulatory requirements and State's business rules (e.g., annual tax rates, partial transfer requests, rate calculations by period).						

Manage Employer Taxes	Determine Unemployment Tax Rate	The solution will recalculate tax rates and taxes due based on Employer account changes (e.g., Acquisitions, Voluntary Contributions, NAICS Code).						
Manage Employer Taxes	Determine Unemployment Tax Rate	The solution will allow State staff to make updates and modify tax rates.						
Manage Employer Taxes	Determine Unemployment Tax Rate	The solution will allow staff to view all historical rates including the reason for changes and no changes.						
Manage Employer Taxes	Determine Employer Taxable Wage Base	The solution must generate an Employer Wage summary report upon request.						
Manage Employer Taxes	Determine Employer Taxable Wage Base	The solution will accept, validate, and post wage reports from Employers and TPAs.						
Manage Employer Taxes	Determine Employer Liability	The solution will calculate Employer liability based on the calculated tax rates and the State's business rules.						
Manage Employer Taxes	Manage Employer Redetermination	The solution will upload and process Wage Record Adjustments and allow staff to process adjustments manually and in real-time, and calculate taxable wages, taxes, penalties, and interests.						
Manage Employer Taxes	Manage Employer Redetermination	The solution will allow authorized users (Employers and TPAs) to view, edit, and modify Wage Record Adjustments.						
Conduct Employer Audits	Generate Audit Leads	The solution will have the ability to create audit lead models (e.g., combinations of audit selection criteria).						
Conduct Employer Audits	Generate Audit Leads	The solution will maintain a report of the Employers with a history of compliance issues for audit selection.						
Conduct Employer Audits	Generate Audit Leads	The solution will track results of audits (e.g. audited wages, auditor time spent on audits) identified by audit lead models (e.g., combinations of audit selection criteria) to evaluate of effectiveness in selecting audits.						

Conduct Employer Audits	Generate Audit Leads	The solution will interface with external solutions to gather data to support audit selection (e.g., IRS, Secretary of State, Division of Labor).						
Conduct Employer Audits	Generate Audit Leads	The solution will forecast audit results for a given period based on an audit lead model. E.g., forecasted results will include: <ul style="list-style-type: none"> <li>o Size of potential audit pool (e.g., 10% of employers randomly selected for auditing)</li> <li>o Potential yield of individual audit cases (e.g., total wages collected from an audit)</li> </ul>						
Conduct Employer Audits	Conduct Electronic Audits	The solution will create a new audit case file for Employers selected for audit.						
Conduct Employer Audits	Conduct Electronic Audits	The solution will assign audit cases to the State staff and provide ability to track time spent on individual audits.						
Conduct Employer Audits	Conduct Electronic Audits	The solution will allow State Staff to track progress for completing the audit.						
Conduct Employer Audits	Conduct Electronic Audits	The solution will cross-match UI Benefits claim data with data from other sources, as mandated by the US DOL. E.g., <ul style="list-style-type: none"> <li>o Cross-matching UI Benefits claim data with UI Tax wage data reported by Employers</li> <li>o Cross-matching UI Benefits claim data with new hire reporting at the national and state level</li> </ul>						
Conduct Employer Audits	Conduct Electronic Audits	The solution will provide the ability to define thresholds for cross-matching results and prioritize cases for wage audits based on the State's business rules (e.g., dollar thresholds for allowable discrepancies, limitations on the number of results returned, prioritization of cases based on the severity of the discrepancy).						
Conduct Employer Audits	Conduct Electronic Audits	The solution will identify discrepancies based on cross-matching the State's business rules, establish the appropriate issue records, assign the issues to the						

		appropriate work queues, and generate the appropriate notifications for State Staff.						
Conduct Employer Audits	Conduct Electronic Audits	The solution will generate/regenerate audit notices for Employers (e.g., wage audit notices, new hire audit notices) based on the State's business rules.						
Conduct Employer Audits	Conduct Electronic Audits	The solution will generate and send new hire verifications to Claimants according to their communication preferences.						
Conduct Employer Audits	Conduct Electronic Audits	The solution will provide the ability for Employers to enter and submit the requested verification information via online portal.						
Conduct Employer Audits	Conduct Electronic Audits	Upon receiving verification information from Employers, The solution will establish the appropriate work item(s), assign the work item(s) to the appropriate work queue(s), and generate the appropriate notification(s) for State Staff.						
Conduct Employer Audits	Conduct Electronic Audits	The solution will provide the ability for State Staff to enter determinations related to wage audits.						
Conduct Employer Audits	Conduct Electronic Audits	The solution will generate the appropriate issue records, assign work item(s) to the appropriate work queue(s), and generate the appropriate notification(s) for Adjudication Staff based on the wage audit determinations.						
Conduct Employer Audits	Conduct Electronic Audits	The solution will update wage records based on determinations entered by State Staff and the State's business rules.						
Conduct Employer Audits	Conduct Electronic Audits	The solution will provide the ability for State Staff to manually update wage records.						
Conduct Employer Audits	Conduct Electronic Audits	The solution will initiate subsequent audit processes when wage records are updated, (e.g., updating benefit records, establishing overpayments) based on the State's business rules.						
Conduct Employer Audits	Conduct Electronic Audits	The solution will provide the ability for Adjudicators to request wage audits.						

Conduct Employer Audits	Conduct Field Audits	The solution will have the ability to track and conduct field audits based on the State's business rules and requirements outlined in the LEO Field Audit Handbook.						
Manage Collections	Manage Write-offs	The solution will track and manage debt/write-offs based on Collections cycle and monitor amounts collected by State Staff on a weekly/quarterly/annual basis.						
Manage Collections	File Liens and Evaluate Levies & Wage Garnishments	The solution will have the ability to generate liens, calculate levies and wage garnishments based on the State's business rules and implement Treasury Off Set Program changes timely and accurately.						
Manage Collections	File Liens and Evaluate Levies & Wage Garnishments	The solution will have the ability to update liens when bankruptcy notices are received.						
Manage Collections	Process Bankruptcy Notifications	The solution will receive notification from courts.						
Manage Collections	Process Bankruptcy Notifications	The solution will associate bankruptcy cases to other cases (e.g., lead bankruptcy case and affiliated cases).						
Manage Collections	Process Bankruptcy Notifications	The solution will produce bankruptcy proof of claim and applicable exhibits / documentation.						
Manage Collections	Process Bankruptcy Notifications	The solution will track bankruptcy deadlines and events.						
Manage Collections	Manage Write-offs	The solution writes off debt based on predefined UIA criteria and the State's business rules.						
Manage Collections	Determine and Manage Claimant Overpayments	The solution will identify when benefits have been overpaid based on the State's business rules and factors. E.g., overpayments based on: <ul style="list-style-type: none"> <li>o Adjudication determinations</li> <li>o Under-reported earnings</li> <li>o Appeal decisions</li> </ul>						

		<ul style="list-style-type: none"> <li>o Wage crossmatches used to detect when an individual has returned to work and continued receiving benefits for which they were not eligible</li> <li>o Nonresponsive / yearly negligence</li> </ul>						
Manage Collections	Determine and Manage Claimant Overpayments	The solution will record any identified overpayments in association with the appropriate benefit payments.						
Manage Collections	Determine and Manage Claimant Overpayments	The solution will associate all relevant documentation with the overpayments.						
Manage Collections	Determine and Manage Claimant Overpayments	The solution will track the status for the overpayment (e.g., active, held).						
Manage Collections	Determine and Manage Claimant Overpayments	The solution will provide the ability for State Staff to define and update classifications for the overpayment (e.g., Administrative, Non-Fraud, or Fraud based on adjudication determinations and appeal decisions).						
Manage Collections	Determine and Manage Claimant Overpayments	The solution will calculate and apply the appropriate penalties, interest, and fees to charge to the Claimant based on the overpayment classification and the State's business rules.						
Manage Collections	Determine and Manage Claimant Overpayments	The solution will credit the overpayment to the proper General Ledger (GL) account and Employer accounts.						
Manage Collections	Determine and Manage Claimant Overpayments	The solution will determine the proper time in which the overpayment should be credited according to the State's business rules.						
Manage Collections	Determine and Manage Claimant Overpayments	The solution will generate a notice to the Claimant when an overpayment is created in association with one or more of their prior benefit payments.						
Manage Collections	Determine and Manage Claimant Overpayments	The solution will provide the ability for Claimants and State Staff to enter appeals for overpayments according to the State's business rules.						

Manage Collections	Determine and Manage Claimant Overpayments	The solution will determine if an offset to an overpayment can be made according to bankruptcy, finality, and other of the State's business rules.						
Manage Collections	Determine and Manage Claimant Overpayments	The solution will calculate and adjust the appropriate offset amounts according to the State's business rules.						
Manage Collections	Determine and Manage Claimant Overpayments	The solution will identify the order in which multiple overpayments are to be paid and apply the offset amount(s) to the appropriate overpayment record(s).						
Manage Collections	Determine and Manage Claimant Overpayments	The solution will track aging work items related to overpayment offsets and generate reminders for State Staff and Management according to the State's business rules.						
Manage Collections	Manage Delinquent Employers / Reimbursable Billing	The solution will determine if a Reimbursable Employer was credited for the original transaction.						
Manage Collections	Manage Delinquent Employers / Reimbursable Billing	The solution will calculate and apply additional interest to be charged to Employers based on delayed payments.						
Manage Collections	Manage Delinquent Employers / Reimbursable Billing	The solution will post additional interest amounts to the GL.						
Manage Collections	Manage Delinquent Employers / Reimbursable Billing	The solution will automatically send notifications to delinquent Employers based on the State's business rules (e.g., 30 days notice).						
Manage Federal Programs	Manage Work Share Program	The solution will allow the Employer to submit a Work Share application online.						
Manage Federal Programs	Manage Work Share Program	The solution will provide the ability for Employers to upload files with Employer-related information for the Work Share program and the Work Share program participant list.						
Manage Federal Programs	Manage Work Share Program	The solution will create a work item associated with a submitted Work Share application and forward it to						



		one or more work queues for State Staff review and modify errors with Work share claims.						
Manage Federal Programs	Manage Work Share Program	The solution will provide the ability for State staff to review the Work Share application and approve or deny the application based on the eligibility requirements.						
Manage Federal Programs	Manage Work Share Program	The solution will provide the ability for State staff to track their communications with Employers related to the Work Share application if additional information is required.						
Manage Federal Programs	Manage Work Share Program	The solution will provide the ability for State staff to maintain the details of a Work Share program (e.g., dates, participants, hours).						
Manage Federal Programs	Manage Work Share Program	The solution will provide the ability for Employers to maintain the details of an existing Work Share program, as constrained by the State's business rules.						
Manage Federal Programs	Manage Work Share Program	The solution will create a work item associated with Employer updates to an existing Work Share program and allow staff to process the certifications (e.g., modify existing Work Share Program or back date the existing program to process certifications)						
Manage Federal Programs	Manage Work Share Program	The solution will allow the Employers to submit new registration if their eligibility changes or continued compliance for maintaining their status with Work Share.						
Manage Federal Programs	Manage Work Share Program	The solution will notify the Employer for re-application in the event Work Share program expires.						
Manage Federal Programs	Manage Work Share Program	The solution will provide the ability for State staff to look up in the solution whether a Claimant is a participant in a Work Share program.						
Manage Federal Programs	Manage Work Share Program	The solution will generate the certification list and notify an Employer to file their Work Share certification.						

Manage Federal Programs	Manage Work Share Program	The solution will provide the ability for Employers to file Work Share certifications according to the State's business rules.						
Manage Federal Programs	Manage Work Share Program	The solution will process electronically filed Work Share certification files.						
Manage Federal Programs	Manage Work Share Program	The solution will provide the ability for Employers to update existing Work Share certifications (e.g., updates to hours, timeliness) in accordance with the State's business rules.						
Manage Federal Programs	Manage Work Share Program	The solution will provide the ability for State staff to update and process existing Work Share certifications in accordance with the State's business rules (e.g., pay missed certifications and or reverse same day certification).						
Manage Federal Programs	Manage Work Share Program	The solution will generate the appropriate issue record(s), assign work item(s) to the appropriate work queue(s), generate the appropriate notification(s) for State staff if there is an issue with a Work Share certification (e.g., open issues regarding overpayments, and ability to generate a decision for restitution owed).						
Manage Federal Programs	Manage Work Share Program	The solution will initiate payment processes for Work Share program participants based on the certification approval and notify the employees.						
Manage Federal Programs	Manage Work Share Program	The solution will allow the Employer to submit Work Opportunity Tax Credit (WOTC) Program application online.						
Manage Federal Programs	Manage Work Share Program	The solution will allow the Employer to submit all the documentation and forms for WOTC online (e.g., IRS 8850, ETA 9061).						
Manage Federal Programs	Manage Work Share Program	The solution will allow the State Staff to manage and track the WOTC applications based on the DOL guidelines and requirements.						

Manage Collections	Determine and Manage Claimant Overpayments	The solution will have the ability to accept and process waivers per the State's business rules (RSW)						
Manage Collections	Manage Delinquent Employers / Reimbursable Billing	The solution will accurately bill Reimbursable Employers based on the State's business rules and schedules (e.g., quarterly, annually).						
Manage Collections	Manage Delinquent Employers / Reimbursable Billing	The solution will determine bonding requirements for Reimbursable Employers based on State's business rules.						
Manage Collections	Manage Delinquent Employers / Reimbursable Billing	The solution will manage (track, report on, and handle expiration/renewal) bonding requirements (e.g., promissory notes) for Reimbursable Employers.						
Manage Collections	Manage Delinquent Employers / Reimbursable Billing	The solution will manage and automate conversions (reimbursing to contributing and vice versa) based on Employer preferences/election, including all relevant tax/billing impacts.						
Manage Collections	File Liens and Evaluate Levies & Wage Garnishments	The solution will have the ability to provide Payment Plan flexibility. E.g., <ul style="list-style-type: none"> <li>o Allow authorized State Staff to override payment plan default</li> <li>o Enter Settlement Agreements &amp; Special Payment Plans</li> <li>o Removal of resolved/out of Statute delinquencies on the Bill of Particulars</li> </ul>						
Manage Collections	Manage Delinquent Employers / Reimbursable Billing	The solution will track and maintain all delinquent accounts that meet specific criteria and allow State Staff to generate reports. E.g., <ul style="list-style-type: none"> <li>o Report on amount of Interest/Penalty waived</li> <li>o Report on amount collected as a result of field visits, settlement agreements, and other legal actions</li> </ul>						
Manage Collections	Manage Delinquent Employers / Reimbursable Billing	The solution will provide the ability to distinguish between Employer types and the impacts the above requirements have on different employers.						

Manage Collections	Manage Delinquent Employers / Reimbursable Billing	The solution will process automated files of banking activity, including image capture processed by the agency's Lockbox vendor. Images will be retained based on the States retention schedule but can be extended based on exceptions.						
Manage Collections	Determine and Manage Claimant Overpayments	The solution will be able to generate automated and manual refunds based on overpayments (e.g., Employer can pay full overpayment balance or a partial amount).						
Manage Collections	Manage Delinquent Employers / Reimbursable Billing	The solution will allow State Staff to waive penalty and interest to zero out an account.						
Register and Manage Claimant Accounts	Register Claimant Account	The solution will allow the Claimants to register online via the Claimant Portal.						
Register and Manage Claimant Accounts	Update Claimant Account Information	The solution will allow the Claimant to view account details, submit documents, and make changes to personal demographics and claim information.						
Register and Manage Claimant Accounts	Update Claimant Account Information	The solution will not allow changes to Claimant account details if fraud has been determined (refer to tab C. Program Integrity for related fraud determination requirements, C.12 and C.13).						
Register and Manage Claimant Accounts	Update Claimant Account Information	The solution will notify the Claimant of changes made online (e.g., changes to Personal Identification Number (PIN), password, address).						
Register and Manage Claimant Accounts	Update Claimant Account Information	The solution will allow the State Staff on behalf of Claimants to view and update information associated with their account (e.g., basic account information, demographic information, payment preferences).						
Register and Manage Claimant Accounts	Maintain Claimant Account	The solution will record and display a history of changes to the Claimant's account and claim(s).						

Register and Manage Claimant Accounts	Maintain Claimant Account	The solution will have the ability to archive a claim or Claimant account and later access the archived information.						
Manage Claimant Applications	Intake Application	The solution will configure the pre-eligibility criteria based on the State's business rules for the Claimant to submit the application (e.g., questions about federal employment and military employment on a claim and weekly claim applications, claim types).						
Manage Claimant Applications	Intake Application	The solution will provide the ability for Claimants to manually file a claim.						
Manage Claimant Applications	Intake Application	The solution will allow Claimants to file multiple claims (e.g., Program Types) based on the State's business rules.						
Manage Claimant Applications	Intake Application	The solution will prompt the Claimant to review and certify application information.						
Determine Claimant Eligibility	Intake Application	The solution will validate Claimant demographic information to Social Security Administration (SSA) or Systematic Alien Verification for Entitlements (SAVE).						
Manage Claimant Applications	Request Additional Information	The solution will allow State Staff to manually request additional information via the Claimant's preferred communication method.						
Manage Claimant Applications	Request Additional Information	The solution will have the ability to validate application information upon intake and notify the Claimant if additional information is required before submission can be completed.						
Manage Claimant Applications	Process Application	The solution will process the type of claim based on the State's business rules and the application information provided by the Claimant (e.g., New Claim, Additional Claim, Reopened Claim, Transitional Claim, (manual) Extended Benefits (state and/or federal))						
Manage Claimant Applications	Process Application	The solution will create an IB4 outgoing request for federal wages when the Claimant has wages in the						

		liable State and the federal wages are assigned to another state.						
Manage Claimant Applications	Process Application	The solution will provide the ability for Claimants to request cancellation of a claim.						
Manage Claimant Applications	Process Application	The solution will process the application based on the State's business rules and allow the Claimant to view all the claim information (e.g., effective date, ending date, applied benefit amount, maximum benefit amount, gross weekly benefit amount, balance, payments, claim status).						
Determine Claimant Eligibility	Determine Monetary and Non-Monetary Eligibility Requirements	The solution will process the application and determine monetary and non-monetary eligibility requirements based on the State's business rules.						
Determine Claimant Eligibility	Determine Monetary and Non-Monetary Eligibility Requirements	The solution will provide the ability for State Staff to enter and edit notes related to the Claimant's monetary and non-monetary determinations.						
Determine Claimant Eligibility	Determine Monetary and Non-Monetary Eligibility Requirements	The solution will have the ability to cross-check the Claimant application existing claims and wages in different States.						
Determine Claimant Eligibility	Calculate Claimant Benefit Amount and Duration	The solution will determine and record monetary and non-monetary eligibility, weekly benefit amount, and maximum benefit award for all claim types, based on the State's business rules and wage data from a variety of sources (e.g., employer tax and wage reports, information received via the ICON interface).						
Determine Claimant Eligibility	Calculate Claimant Benefit Amount and Duration	The solution will notify the Claimant regarding monetary and non-monetary determinations.						
Determine Claimant Eligibility	Calculate Claimant Benefit Amount and Duration	The solution will provide the ability for State Staff to calculate and view benefit estimates based on eligibility requirements (e.g., number of dependents, base period).						

Determine Claimant Eligibility	Calculate Continued Claimant Eligibility	The solution will redetermine and record the monetary eligibility based on the State's business rules if there are changes to the wages and base periods.						
Determine Claimant Eligibility	Manage Adjudication	The solution will have the ability to create non-monetary issue record(s) for adjudication, assign work item(s) to the appropriate work queue(s), and generate the appropriate notification(s) for State Staff. The solution will associate all relevant data and documents with the non-monetary issue record.						
Determine Claimant Eligibility	Manage Adjudication	The solution will track all relevant data and documents with the non-monetary issue record.						
Determine Claimant Eligibility	Manage Adjudication	The solution will provide the ability for State Staff to manually create issue records for adjudication and flag any duplicate issues.						
Determine Claimant Eligibility	Manage Adjudication	The solution will stop the weekly benefit payment processes based on State's business rules.						
Determine Claimant Eligibility	Manage Adjudication	The solution will have the ability to resolve issues based on the updated Claimant information.						
Determine Claimant Eligibility	Calculate Claimant Benefit Amount and Duration	The solution will calculate, record, and apply reductions to the weekly benefit amount, in order of precedence as required by the state (e.g., taxes, child support, offsets for overpayments).						
Determine Claimant Eligibility	Calculate Claimant Benefit Amount and Duration	The solution will notify the appropriate agencies of the relevant deductions (e.g., IRS, Child Support, UIA Overpayment Unit).						
Determine Claimant Eligibility	Calculate Claimant Benefit Amount and Duration	The solution will calculate and record the final weekly benefit payment amount in accordance with the State's business rules and notify the Claimant.						
Determine Claimant Eligibility	Manage Claimant Certifications	The solution will provide the ability for Claimants to file weekly certifications on eligible claims and eligible weeks and allow Claimants to upload supporting documentation in association with weekly certifications.						

Determine Claimant Eligibility	Manage Claimant Certifications	The solution will provide the ability for Claimants to update demographic information during the weekly certification process.						
Determine Claimant Eligibility	Manage Claimant Certifications	The solution will determine if an additional initial claim needs to be reported after claimants complete weekly certifications.						
Determine Claimant Eligibility	Manage Claimant Certifications	The system shall allow Claimants to track and certify their work search activities.						
Determine Claimant Eligibility	Calculate Claimant Benefit Amount and Duration	The solution will make updates to wage records by marking wages as used and identifying the state for which they are being used.						
Manage Benefit Appeals	Track and Manage Appeal Decisions	The solution will provide the ability for State Staff and Claimants to track and view various stages of protests or appeals online including deadlines.(e.g., pending adjudication, pending fact-finding).						
Manage Benefit Appeals	Track and Manage Appeal Decisions	The solution will provide the ability for State Staff to record the decision of the protest or appeal and close the associated task and issue a notice to the Claimant.						
Manage Benefit Appeals	Track and Manage Appeal Decisions	The solution will not allow the involved party to appeal a decision until the official decision letter has been postmarked.						
Manage Benefit Appeals	Track and Manage Appeal Decisions	The solution will have case management capabilities for managing and tracking all documents related to the Claimant appeals.						
Manage Benefit Appeals	Intake and Review Appeals	The solution will provide the ability for Claimants to submit and view protest or appeal requests online based on the State's business rules.						
Manage Benefit Appeals	Process Appeals	The solution will create a protest or appeal record with all associated data and documents, assign work item(s) to the appropriate work queue(s), and generate the appropriate notification(s) for State Staff (e.g., Legal).						



Manage Benefit Appeals	Process Appeals	The solution will manage chargeability protests and assign work item(s) based on the State's business rules and notify determinations to the Employers.						
Manage Benefit Appeals	Process Appeals	The solution will provide the ability for State Staff to record the decision of the chargeability protest and close the associated task and issue a notice to the Employer.						
Manage Benefit Appeals	Process Appeals	The solution will have the ability to process all appeal requests and notifications based on the State's business rules.						
Process UI Benefit Payments	Distribute Benefits to Eligible Claimants	The solution will provide the ability for Claimants to select different payment options for collecting their benefits (e.g., direct deposit or state-issued debit card).						
Process UI Benefit Payments	Distribute Benefits to Eligible Claimants	The solution will have the ability to process and issue benefit payments based on Claimant's payment preference.						
Process UI Benefit Payments	Distribute Benefits to Eligible Claimants	The solution have the ability to modify and update Claimant payment options.						
Process UI Benefit Payments	Recalculate Benefit Amount	The solution will have the ability to automatically recalculate monetary eligibility and Employer chargeability when changes occur on a claim (e.g., wages are added, removed, corrected, or transferred, employer account changes).						
Process UI Benefit Payments	Distribute Benefits to Eligible Claimants	The solution will have the ability to validate payments from the financial institutions and generate notifications if the payments are not processed.						
Process UI Benefit Payments	Manage IRS Claimant Tax Forms (e.g., 1099-G)	The solution will allow the State Staff to view templates related to 1099-G.						
Process UI Benefit Payments	Manage IRS Claimant Tax Forms (e.g., 1099-G)	The solution will allow the State Staff to generate, review and approve the 1099-G register and summary.						

Process UI Benefit Payments	Manage IRS Claimant Tax Forms (e.g., 1099-G)	The solution will integrate with IRS for collecting all 1099-G information.						
Process UI Benefit Payments	Manage IRS Claimant Tax Forms (e.g., 1099-G)	The solution will perform all recalculations, re-generate the export file, and resend 1099-G information for 1099-G forms submitted incorrectly.						
Process UI Benefit Payments	Manage IRS Claimant Tax Forms (e.g., 1099-G)	The solution will notify Claimants when their 1099-G forms are available and allow Claimants to view their 1099-G forms online for the life of the claim.						
Process UI Benefit Payments	Manage Overpayments	The solution will identify and record when benefits have been overpaid based on the State's business rules. The solution will associate all relevant documentation with the overpayment (e.g., adjudication determinations, under-reported earnings, appeal decisions), and monitor debt based on collections cycle.						
Process UI Benefit Payments	Manage Overpayments	The solution will provide the ability for Claimants to view the overpayment details online.						
Process UI Benefit Payments	Manage Overpayments	The solution will provide the ability for Claimants and State Staff to enter appeals for overpayments by mail or online according to the State's business rules, and generate a statement of account letter.						
Process UI Benefit Payments	Manage Overpayments	The solution will notify the Claimants if they have been overpaid.						
Process UI Benefit Payments	Manage Overpayments	The solution will track and manage Interstate Reciprocal Overpayment Recovery Arrangement (IRORA) overpayments.						
Process UI Benefit Payments	Manage Overpayments	The solution will provide the ability for State Staff to enter and submit IRORA requests to other states in order to support the collection of overpayments.						
Process UI Benefit Payments	Manage Overpayments	The solution will process and calculate offset based on the State's business rules (e.g., bankruptcy) and deduct the offset amounts from the weekly benefit payments.						

Manage Additional UI Tools and Resources	Manage Filings	The solution will be able to integrate with the UI Interstate Connection Network (ICON) to exchange claim, wage, benefit charge, payment, and overpayment information.						
Manage Additional UI Tools and Resources	Manage Filings	The solution will send information to other states via ICON, and receive information from other states via ICON, in order to determine Employer chargeability for Combined Wage Claims (CWCs).						
Manage Additional UI Tools and Resources	Manage Filings	The solution will have the ability to process CWCs requests based on the State's business rules (e.g., IB-4, IB-5, IB-6).						
Manage Additional UI Tools and Resources	Manage Filings	The solution will calculate and distribute the appropriate charges to Employers based on information received from ICON and the State's business rules.						
Manage Additional UI Tools and Resources	Manage Filings	The solution will provide the ability for State Staff to update, and delete CWCs.						
Manage Additional UI Tools and Resources	Manage Filings	The solution will review the accuracy of IB-6 charges received and identify charges that do not reconcile. The solution will create the appropriate work item(s), assign the work item(s) to the appropriate work queue(s), and generate the appropriate notification(s) for State Staff for resolving any discrepancies.						
Manage Additional UI Tools and Resources	Manage Filings	The solution will provide the ability for State Staff to manually initiate IB4 requests through ICON.						
Manage Additional UI Tools and Resources	Manage TRAs	The solution will have the ability to manage and maintain all Federal and State UI Programs (e.g., TRA, RTAA).						
Manage Additional UI Tools and Resources	Manage TRAs	The solution will allow for adding TRA to a claim, process TRA payments, and perform a quarterly check against all states for existing claims and wages for individuals receiving TRA or RTAA/ATAA benefits.						

Manage Additional UI Tools and Resources	Manage Claimant Bankruptcy	The solution will receive Claimant bankruptcy notifications. (e.g., lead bankruptcy case and affiliated cases). The solution will produce bankruptcy proof of claim and applicable exhibits classified by priority, secured, or unsecured.						
Manage Additional UI Tools and Resources	Manage Claimant Bankruptcy	The solution will track bankruptcy deadlines, dates, and events (e.g., file claim deadlines), and write off debt based on predefined criteria.						
Manage Additional UI Tools and Resources	Provide Advocacy	The solution will allow Claimants to request Advocacy online via self-service.						
Manage Additional UI Tools and Resources	Provide Advocacy	The solution will generate fact-finding tools for Advocates and notify State Staff for additional follow ups.						
Manage Additional UI Tools and Resources	Process Friend of the Court Claims	The solution will allow for integration with the Friend of the Court solution.						
Manage Additional UI Tools and Resources	Process Friend of the Court Claims	The solution will allow staff to manually enter Friend of the Court information and The solution will track Friend of the Court information (datapoints like number of referrals, when the referrals came to UIA, when referrals are processed or resolved.).						
Process UI Benefit Payments	Manage Overpayments	The solution will allow for monitoring amounts collected by individuals & units on a weekly, quarterly, and annual basis.						
Manage Additional UI Tools and Resources	Provide Advocacy	The solution will have the ability for State Staff to assign an advocacy case to provide claimant representation for an appeal hearing.						
Manage Additional UI Tools and Resources	Provide Advocacy	The solution will have the ability to generate supporting documents (e.g., informational packet) for the claimant/employer including a description of eligible services and list of advocates when an advocacy case is created.						

Manage Additional UI Tools and Resources	Provide Advocacy	The solution will allow State Staff to assign an advocate to an advocacy case.						
Manage Additional UI Tools and Resources	Provide Advocacy	The solution will allow State Staff to create advocate profile and update profile and status information including demographic, employment, and contract information.						
Manage Additional UI Tools and Resources	Provide Advocacy	The solution will have the ability to notify and add the designated advocate as an interested party to the appeal.						
Prevent Fraud	Assess and Identify Potential Non-Compliance	The solution will have the ability to flag potential fraudulent claims and user accounts based on pre-defined parameters (e.g., number of claims from a single IP location, redundant claims).						
Prevent Fraud	Assess and Identify Potential Non-Compliance	The solution will have the ability to generate report for identified fraudulent user accounts / Claimants (e.g., Names, SSN's, emails, IP addresses, physical addresses).						
Prevent Fraud	Assess and Identify Potential Non-Compliance	The solution will have the ability to modify and update the report for tracking fraudulent user accounts.						
Conduct Fraud Investigations	Detect Fraud	The solution will detect potential noncompliance and fraud related to individual Claimants, Employers and Multi-claimant, encompassing both benefit eligibility noncompliance/fraud and identify theft fraud.						
Conduct Fraud Investigations	Detect Fraud	The solution will perform cross-matching and analytics in order to identify potential noncompliance and fraud, using internal and external data (e.g., incarceration data, deceased claimant data, inter-state data, wage data, IP addresses).						
Conduct Fraud Investigations	Detect Fraud	The solution will stop the payment if potential noncompliance or fraud case affects a payment for a certified week.						

Conduct Fraud Investigations	Investigate Fraud	The solution will assign work items to different queues and prioritize potential fraudulent cases of noncompliance and fraud based on the State's business rules.						
Conduct Fraud Investigations	Investigate Fraud	The solution will provide the ability for State Staff to notify Claimants and Employers of potential noncompliance and fraud based on the issue type and the State's business rules.						
Conduct Fraud Investigations	Investigate Fraud	The solution will be able to generate questionnaires that can printed be mailed to claimants.						
Conduct Fraud Investigations	Investigate Fraud	The solution will provide the ability for Claimants and Employers to respond to the fact-finding questionnaires online.						
Conduct Fraud Investigations	Investigate Fraud	The solution will validate new data provided by Claimants using cross-matching processes.						
Conduct Fraud Investigations	Investigate Fraud	The solution will provide the ability for Adjudicators to review potential noncompliance and fraud issue information and fact-finding questionnaire responses.						
Conduct Fraud Investigations	Determine Action	The solution will provide the ability for Adjudicators to enter determinations and actions related to potential noncompliance and fraud.						
Conduct Fraud Investigations	Determine Action	The solution will generate and send determination notices to Claimants and Employers based on the State's business rules.						
Conduct Fraud Investigations	Determine Action	The solution will provide the ability for Claimants and Employers to submit fraud appeal requests based on determinations.						
Conduct Fraud Investigations	Determine Action	For cases that determine the Claimant is disqualified. The solution will prevent any future benefits from being paid.						

Manage Customer Interactions and Transactions	Manage Claimant/Employer Correspondence	The solution will allow for Claimants or Employers to opt-in and out of electronic correspondence and choose their preferred method of communication (e.g., email, portal, mail).						
Manage Customer Interactions and Transactions	Manage Digital/Paper Notifications	The solution will allow for Claimants or Employers to set up notifications (for example, active and inactive claims) (via push, text message, or email) to notify them of new information.						
Manage Customer Interactions and Transactions	Manage Claimant/Employer Correspondence	The solution will have the ability to track and log Claimant caller information collected in the State's call center software, NICE InContact (e.g., time and date call was received, phone number, Agent name).						
Manage Customer Interactions and Transactions	Manage Claimant/Employer Correspondence	The solution will maintain a history of all types of communication between the State, Claimant and Employers (e.g., email, mail, call logs) through integration with a document management system.						
Manage Customer Interactions and Transactions	Manage Claimant/Employer Correspondence	The solution will have the ability to create workflows based on the type of communications.						
Manage Customer Interactions and Transactions	Manage Claimant/Employer Correspondence	The solution will allow State Staff to update templates (e.g., logo or contacts) and other correspondence data (e.g., UIA director, name and the mailing address of the Claimant or Employer, Fact Finding and Determinations)						
Manage Customer Interactions and Transactions	Manage Claimant/Employer Correspondence	The solution will allow State Staff to create correspondence templates with version controls.						
Manage Customer Interactions and Transactions	Manage Claimant/Employer Correspondence	The solution will have the ability to print correspondence (e.g., standard, large, or plain text).						
Manage Customer Interactions and Transactions	Manage Claimant/Employer Correspondence	The solution will allow State Staff to associate information received in the USPS mail with a Claimant or Employer account.						

Manage Customer Interactions and Transactions	Manage Claimant/Employer Correspondence	The solution will have the ability to perform full-text document searches supported by OCR technology.						
Manage Customer Portal and Self-Service Resources	Enable Portal Self-Service for Claimants	The solution will provide the ability for Claimants to view and update their account information via the online portal.						
Manage Customer Portal and Self-Service Resources	Enable Portal Self-Service for Claimants	The solution will support translation in multiple languages (e.g., Spanish, Arabic, Caldean, Bosnian, Vietnamese) for the Claimant account with the default language preference set to English.						
Manage Customer Portal and Self-Service Resources	Enable Portal Self-Service for Claimants	The solution will provide the ability for Claimants to submit all types of claims (e.g., TRA, UCX) and certifications via the online portal.						
Manage Customer Portal and Self-Service Resources	Enable Portal Self-Service for Claimants	The solution will provide the ability for Claimants to view and update their claim and certification information via the online portal.						
Manage Customer Portal and Self-Service Resources	Enable Portal Self-Service for Claimants	The solution will provide the ability for Claimants to view the status of their claims, any associated issues, payment details, and related information via the online portal.						
Manage Customer Portal and Self-Service Resources	Enable Portal Self-Service for Claimants	The solution will provide the ability for Claimants to view their overpayment details, request offsets to overpayments and submit overpayment waiver requests via the online portal.						
Manage Customer Portal and Self-Service Resources	Enable Portal Self-Service for Claimants	The solution will provide the ability for Claimants to submit appeal requests using the online portal (e.g., appeals for overpayments, waiver determinations, protests).						
Manage Customer Portal and Self-Service Resources	Enable Portal Self-Service for Claimants	The solution will provide the ability for Claimants to respond to questionnaires via the online portal.						



Manage Customer Portal and Self-Service Resources	Enable Portal Self-Service for Claimants	The solution will provide the ability for Claimants to view, request, and modify 1099-G forms via the online portal.						
Manage Customer Portal and Self-Service Resources	Enable Portal Self-Service for Claimants	The solution will provide the ability for Claimants to view notifications and tasks via the online portal.						
Manage Customer Portal and Self-Service Resources	Enable Portal Self-Service for Claimants	The solution will provide the ability for Employers to submit shared work program applications and certifications via the online portal.						
Respond to Information Requests	Manage Call Centers / IVR	The solution will allow State Staff to run multiple sessions at the same time (e.g., review a Claimant and an Employer side by side).						
Respond to Information Requests	Manage Call Centers / IVR	The solution will provide the ability for Call Center Agents to view and follow scripts.						
Respond to Information Requests	Manage Call Centers / IVR	The solution will provide the ability for State Staff to create, maintain, and update Call Center scripts for the purposes of knowledge management and consistent handling of inquiries.						
Respond to Information Requests	Support Claimant/Employer Inquiries	The solution will provide the ability for an Agent to create work items for State Staff and send work items to the appropriate person for all unresolved customer inquiries.						
Respond to Information Requests	Support Claimant/Employer Inquiries	The solution will provide the ability for State Staff to search various types of records and view listings based on pre-defined criteria (e.g., Claimant Accounts, Employer Accounts, Employer Representatives, Appeal Records).						
Respond to Information Requests	Support Claimant/Employer Inquiries	The solution will provide the ability for State Staff to view Claimant information (e.g., claimant demographic information, overpayments associated						

		with to the Claimant, appeals associated with the Claimant).						
Respond to Information Requests	Support Claimant/Employer Inquiries	The solution will support Ombudsman requests and queries from both Employers and Claimants.						
Respond to Information Requests	Enable ChatBots	The solution will support Artificial Intelligence and Machine Learning tools such as Chatbots (e.g., AVA)						
Respond to Information Requests	Enable ChatBots	The solution will provide the ability for internal and external users to chat with live agents online (e.g., text-based interactions).						
Respond to Information Requests	Manage Call Centers / IVR	The solution will allow live agents to handle multiple web chat sessions simultaneously for internal and public use.						
Respond to Information Requests	Manage Call Centers / IVR	The solution will have the ability to automatically redact Claimant and Employer documents (e.g., PII on all documents) based on pre-defined criteria.						
Respond to Information Requests	Manage Call Centers / IVR	The solution will have the ability for State Staff to either accept all redactions or selectively accept redactions recommended by the solution.						
Respond to Information Requests	Manage Call Centers / IVR	The solution will have the ability for State Staff to manually redact documents.						
Respond to Information Requests	Manage Call Centers / IVR	The solution will have the ability for State Staff to create comments at the document and/or the claim level (e.g., the note would be associated to all documents on the claim)						
Manage Customer Interactions and Transactions	Manage Claimant/Employer Correspondence	The solution will have the ability to create hearing packets (e.g., MAPP) and send electronically/printed to MOAHR and customer(s).						

Manage Federal Reports	Create and Maintain Accurate Federal Reporting	The solution will provide the ability for State staff to input US DOL random numbers and other US DOL audit criteria for the purposes of generating a random sample of cases for Benefit Accuracy Measures (BAM) Audits.						
Manage Federal Reports	Create and Maintain Accurate Federal Reporting	The solution will generate the random sample and establish the BAM Audit case records.						
Manage Federal Reports	Create and Maintain Accurate Federal Reporting	The solution will assign BAM audit cases to the State Staff according to the State's business rules.						
Manage Federal Reports	Create and Maintain Accurate Federal Reporting	The solution will have the ability to manually assign and reassign audit cases.						
Manage Federal Reports	Create and Maintain Accurate Federal Reporting	The solution will receive data from the National Directory of New Hires (NDNH) interface, record the information in association with the appropriate BAM Audit case records, and time stamp the information according to when it was received.						
Manage Federal Reports	Create and Maintain Accurate Federal Reporting	The solution will generate notices and audit questionnaire(s) with audit case information pre-populated to be sent to Claimants and Employers.						
Manage Federal Reports	Create and Maintain Accurate Federal Reporting	The solution will provide the ability for Claimants and Employers to respond to audit questionnaires via an online portal.						
Manage Federal Reports	Create and Maintain Accurate Federal Reporting	The solution will record the information, establish the appropriate work item(s), assign the work item(s) to the appropriate work queue(s), and generate the appropriate notification(s) for State Staff based on the audit questionnaire responses.						
Manage Federal Reports	Create and Maintain Accurate Federal Reporting	The solution will provide the capability to add, modify and delete notes associated with the audit case.						
Manage Federal Reports	Create and Maintain Accurate Federal Reporting	The solution will have ability to create, modify, validate (e.g., quarterly), and update all Federal reports as						

	Reporting / Publish Unemployment Statistics / Compile Claimant Data	mandated and regulated by the US DOL, Employment and Training Administration (ETA) Handbooks 401 and 402).						
Manage Federal Reports	Create and Maintain Accurate Federal Reporting / Publish Unemployment Statistics / Compile Claimant Data	The solution will provide functionality for UI Benefits and Tax staff to perform data validation as described in the US DOL ETA Handbook <ul style="list-style-type: none"> <li>o Unemployment Insurance Data Validation, Benefits, is available from DOL ETA via the following link: <a href="https://oui.doleta.gov/dv/pdf/uipl17-10Chg2.pdf">https://oui.doleta.gov/dv/pdf/uipl17-10Chg2.pdf</a></li> <li>o Unemployment Insurance Data Validation, Tax is available from DOL ETA at <a href="https://oui.doleta.gov/dv/pdf/uidvtaxhandbook.pdf">https://oui.doleta.gov/dv/pdf/uidvtaxhandbook.pdf</a></li> </ul>						
Manage Federal Reports	Generate Executive Reporting	The solution will have the ability to generate, modify, and maintain executive dashboards and reports.						
Manage Federal Reports	Generate Executive Reporting	The solution will provide the ability for users (e.g., executives) to review and modify dashboards and reports.						
Manage Ad-Hoc Reports and Analytics	Generate Executive Reporting	The solution will generate performance management reports based on UI Benefits activities (e.g., claims filing, weekly certifications, non-monetary adjudication, overpayments, call center operations, quality reviews).						
Manage Ad-Hoc Reports and Analytics	Create and Maintain Ad-hoc Reports	The solution will provide the ability for staff to generate ad hoc reports and queries.						
Manage Ad-Hoc Reports and Analytics	Create and Maintain Ad-hoc Reports	The solution will have the ability to integrate with the State preferred visualization tool (e.g., PowerBI).						
Manage Ad-Hoc Reports and Analytics	Analyze Data and Conduct Analytics	The solution will provide the ability for State Staff to conduct analytics based on historical data.						

Manage Ad-Hoc Reports and Analytics	Analyze Data and Conduct Analytics	The solution will provide the ability for State Staff to perform calculations and data analysis (e.g., summarize, count, and average specific values).						
Manage Ad-Hoc Reports and Analytics	Analyze Data and Conduct Analytics	The solution will provide the ability for State Staff to produce business analysis/intelligence reports.						
Manage Operational Reports	Ensure Compliance with State and Federal Reporting	The solution will provide the ability for State Staff to generate, save and update reports based on role based security.						
Manage Operational Reports	Ensure Compliance with State and Federal Reporting	The solution will provide the ability for State Staff to generate reports that are in compliance with the State and Federal Reporting standards and requirements (e.g., ETA Reports, including 538, 539, 203, 5130, 5159, 902, 9050, 9051, 9052, 9054, 9055, 207, 218, 227, 581, 586, 9016, 9047, 9128, 9129, 204, 9056, 9057, 2112, 8401, 8403, 8405, 8413, and 8414)						
Manage Operational Reports	Create and Maintain Auditable Financial Statements	The solution will have the ability to create and maintain auditable financial statements (refer to Requirement EE.2 Finance and Accounting Requirements for specific requirements).						
Manage Operational Reports	Create Internal Audit Reports	The solution will provide the ability the State Staff to generate, modify, update and save internal audit reports.						
Manage Federal Reports	Create and Maintain Accurate Federal Reporting	The system will provide out-of-the-box reports for State Staff.						
Manage Federal Reports	Create and Maintain Accurate Federal Reporting	The solution will provide the ability for State Staff to create ad hoc and standard queries both with and without input parameters.						
Manage Federal Reports	Create and Maintain Accurate Federal Reporting	The solution will have the ability for State Staff to create ad-hoc reports and custom reports based on queries with and without input parameters (e.g., start date, end date, status, claim type, claim attributes).						

Manage Federal Reports	Create and Maintain Accurate Federal Reporting	The solution will provide the ability for State Staff to specify input parameters when generating reports (e.g., start date, end date, status, claim type, claim attributes).						
Manage Federal Reports	Create and Maintain Accurate Federal Reporting	The solution will provide a preview of reports (e.g., for State Staff to validate before printing or emailing).						
Manage Federal Reports	Create and Maintain Accurate Federal Reporting	The solution will have the ability to validate data entry (e.g., correct data type, adherence to business rules, and validating DOL reporting counts and equivalent audit/measurement populations such as BAM, BTQ, or TPS).						
Manage Federal Reports	Create and Maintain Accurate Federal Reporting	The solution will have the ability to provide error and exception reports to validate the accuracy of data.						
Manage Federal Reports	Create and Maintain Accurate Federal Reporting	The solution will provide State Staff the ability to sort and filter data by user-defined criteria (e.g., sub-state geography, Claim details, Claimant demographic characteristics).						
Manage Federal Reports	Create and Maintain Accurate Federal Reporting	The solution will allow State Staff to drill-down into detailed data by clicking data in the system and in reports (e.g., claimant demographic characteristics).						
Manage Federal Reports	Create and Maintain Accurate Federal Reporting	The vendor will provide technical documentation that describes the database schema (e.g., and Entity Relationship Diagram to develop custom DOL reports) (refer to requirement EE.7.5 and EE.7 Provide UIA System Support						
Manage Federal Reports	Create and Maintain Accurate Federal Reporting	The solution will collect data to support DOL reporting requirements.						

Manage Forms and Documents	Manage Forms	The solution will have the ability to create, modify and process all Tax and Benefit Administration forms as per the State requirements (e.g., IB4, IB5)						
Manage Forms and Documents	Manage Forms	The solution will have the ability to maintain different versions of forms for different periods (e.g., weekly, month, quarterly).						
Manage Forms and Documents	Manage Forms	The solution will have the ability to process all tax forms and schedules that are in statute.						
Manage Forms and Documents	Manage Forms	The solution will have the ability for State staff to view information submitted by Employers and Claimants in format similar to printable forms.						
Manage Forms and Documents	Manage Documents	The solution will have the ability to create, store, upload and manage Employer and Claimant documents that are associated with Taxation and Benefit Administration business processes.						
Manage Forms and Documents	Manage Documents	The solution will have the ability to restrict submission of additional documentation based on pre-defined criteria such as file format and file size.						
Manage Forms and Documents	Manage Documents	The solution will have the ability to upload and store documents and images while preserving all native document editing formats, fonts, and graphics (e.g., Microsoft Word and other Microsoft Office suite product formats).						
Manage Forms and Documents	Manage Documents	The solution will have the ability to capture and store solution-generated documents.						
Manage Forms and Documents	Manage Documents	The solution will have the ability to associate documents with a Claimant and Employer account (e.g., audit, appeals, registration applications).						
Manage Forms and Documents	Manage Documents	The solution will have the ability to maintain version control for all documents as they are changed or modified.						
Manage Forms and Documents	Manage Documents	The solution will have the ability to capture and manage metadata associated with each type of uploaded document (e.g., author, date created, date						

		modified, document type, history of modifications, audit trails).						
Manage Forms and Documents	Manage Documents	The solution will have the ability to index and search documents by metadata attributes and by keywords.						
Manage Forms and Documents	Manage Documents	The solution will have the ability to attach documents to e-mails and e-mail distribution lists.						
Manage Forms and Documents	Manage Documents	The solution will have the ability to implement and enforce State document retention schedules. (e.g., legal case can be disposed of 1 year after final decision)						
Manage Forms and Documents	Manage Documents	The solution will have the ability to capture status (e.g., draft, final) of solution generated documents.						
Manage Forms and Documents	Manage Documents	The solution will have the ability to track and manage different Contract/Memorandum of Understanding/Designated State Agencies documents and agreements (e.g., parties, start and end date, data to be transferred, a 30-day advance notice that an agreement is going to expire)						
Manage Forms and Documents	Manage Documents	The solution will have the ability for Employers/Claimants to submit and track Freedom of Information Act (FOIA) requests (including deadlines) and records.						
Manage Finance and Budgeting	Manage Collections	The solution will track and save collections information regarding payments received from all sources (e.g., tax collections, claimant overpayments, special assessments, etc.). Collections may be in the form of electronic payments, paper payments (lockbox), benefit offsets, income tax intercepts, wage garnishments or other means.						
Manage Finance and Budgeting	Manage Collections	The solution will apply the appropriate amount(s) to the appropriate overpayment record(s) according to the State's business rules.						



Manage Finance and Budgeting	Manage Collections	The solution will post the appropriate amount(s) to the appropriate benefit program GL account(s). Benefit recoveries must be tracked according to the federal program that generated the transaction.						
Manage Finance and Budgeting	Manage Collections	The solution will credit the appropriate amount(s) to the appropriate Employer account(s).						
Manage Finance and Budgeting	Manage Collections	The solution will have the ability to report collections and receivable balances by both date and calendar quarter the debt was generated from.						
Manage Finance and Budgeting	Manage Collections	The solution will apply the appropriate reversal transaction(s) to the appropriate overpayment record(s) for rejected and returned payments and/or payments posted in error.						
Manage Finance and Budgeting	Manage Collections	The solution will post the appropriate reversal transaction(s) to the appropriate benefit program GL account(s) for rejected and returned payments.						
Manage Finance and Budgeting	Manage General Ledger	The solution will update Claimant and Employer accounts based on the State's business rules (e.g., warrant number, amount due, date).						
Manage Finance and Budgeting	Manage General Ledger	The solution will notify State Staff of any errors in processing journal entries and allow them to correct the errors.						
Manage Finance and Budgeting	Manage General Ledger	The solution will post final refund transactions on the date that the payment is released and allow State Staff to cancel/pull refunds prior to the payment issuance.						
Manage Finance and Budgeting	Manage General Ledger	The solution will allow State Staff to query, sort, view, and filter all accounting journal entries (e.g., benefits and tax refunds, benefit warrants).						
Manage Finance and Budgeting	Manage General Ledger	The solution will allow staff to process restitutions based on the State's business rules (e.g., individual account, joint liability).						
Manage Finance and Budgeting	Manage General Ledger	The solution will provide a general ledger capability that is searchable and can be filtered (e.g., date,						

		program type, payments, refunds, offsets, reimbursements, and daily batch).						
Manage Finance and Budgeting	Manage General Ledger	The solution will allow staff to process refunds, vouchers and post corrections and send notifications to Claimants/Employers based on the State's business rules.  o The solution must maintain individual claimant accounts for the reporting of all transactions.  o Separate balances must be maintained for Benefits Due to claimants, and Restitution/overpayments owed from claimants.						
Manage Finance and Budgeting	Manage General Ledger	The solution will allow staff to upload data to weekly/monthly/quarterly/annual federal reports.						
Manage Finance and Budgeting	Manage Budget	The solution will manage and track agency budgets and programs including maintaining tax collection schedule, collecting taxes, tracking outstanding taxes, paying Claimants, and performing financial reconciliation.						
Manage Finance and Budgeting	Create Auditable Financial Statements	The solution will allow restricted staff to manually override/make adjustments to reports and annual IRS filing requirements.						
Manage Finance and Budgeting	Manage Cash Flows	The solution will have the ability to create, forecast, monitor and analyze cash flows for paying the benefits.						
Manage Finance and Budgeting	Manage Cash Flows	The solution will have the ability to reconcile benefit deposits/ payments and tax collection by specific period. (e.g., daily, monthly, quarterly).						
Manage Finance and Budgeting	Manage Receivables	The solution will have the ability to track and report all deposits by Employers.						
Manage Finance and Budgeting	Manage Receivables	The solution will support centralized and de-centralized Accounts Receivable processes.						
Manage Finance and Budgeting	Manage Receivables	The solution will track and maintain consolidated view of all receivables based on user-defined criteria. This						

		will include the ability to view aged accounts receivable and payables.						
Manage Finance and Budgeting	Manage Receivables	The solution will define and maintain multiple invoices, statements, forms, and other templates required to perform billing processes, based on user-defined State's business rules.						
Manage Finance and Budgeting	Manage General Ledger	All financial transactions must flow into the general ledger, following all GASB, FASB and GAP rules, and maintain an audit trail of all transactions.						
Manage Finance and Budgeting	Manage Receivables	The solution will track and manage aging of all accounts receivable and payable transactions.						
Manage System Security	Enable Identity and Access Management	The solution will maintain a security model to define, manage, and control (e.g., add, assign, revoke) user rights and authorizations (e.g., the information any individual user can view, edit, or delete) via role-based security profiles.						
Manage System Security	Enable Identity and Access Management	The solution will have the ability to define user-based security profiles.						
Manage System Security	Enable Identity and Access Management	The user must have the ability to define role-based security profiles.						
Manage System Security	Enable Identity and Access Management	The solution will have the ability to establish a hierarchy for security profiles.						
Manage System Security	Enable Identity and Access Management	The solution will have the ability to alter the security of a content group or aggregation as a unit.						
Manage System Security	Enable Identity and Access Management	The solution will have the ability to deploy security changes immediately without needing to restart the solution.						
Manage System Security	Enable Identity and Access Management	The solution must restrict access to information according to LEO/UIA authentication and authorization policies.						

Manage System Security	Enable Identity and Access Management	The solution must maintain an Active Directory of all active and inactive users having access to the solution functionality.						
Manage System Security	Enable Identity and Access Management	The solution must allow users to manage their user profile (e.g., users can control their user profile by updating their information and preferences to features including user profile information, notification preferences, screen/table views).						
Manage System Security	Maintain and Retain System Audit Trails	The solution will allow data to be classified as sensitive or confidential information (e.g., Federal Tax Information).						
Manage System Security	Maintain and Retain System Audit Trails	The solution will prevent, detect, and log unauthorized attempts to access the solution and classified information (e.g., # of invalid login attempts).						
Manage System Security	Maintain and Retain System Audit Trails	The solution will support the LEO/UIA requirements to avoid sensitive and confidential information disclosures.						
Manage System Security	Maintain and Retain System Audit Trails	The solution will log all errors and send notifications that include severity, date/time, error description, and error codes.						
Manage System Security	Maintain and Retain System Audit Trails	The solution will provide the ability to log audit trails on all transactions and activities internal and external user may perform (e.g., IP address, user account ID, date/time stamp, event source, device/browser information, the outcome of an event (success or failure), and any other supplemental information related to the event).						
Manage System Security	Maintain and Retain System Audit Trails	The solution will provide the ability to send notifications (e.g., email, text) based on audit log activity (e.g., solution usage exceeds a certain threshold).						
Manage System Security	Maintain and Retain System Audit Trails	The solution will prevent unauthorized modifications or deletions of audit log records.						

Manage System Security	Maintain and Retain System Audit Trails	The solution will provide reporting capability to query for audit log records matching specific criteria (e.g., audit logs for a specific user between certain dates).						
Manage System Security	Maintain and Retain System Audit Trails	The solution will provide granular access control to different types of data records based on the permissions (e.g., read, write, modify and delete).						
Manage System Security	Maintain and Retain System Audit Trails	The solution will not store any private or sensitive data in the error logs (e.g., passwords).						
Manage System Security	Maintain and Retain System Audit Trails	The solution will encrypt any data classified as sensitive or confidential before persistence to a data store.						
Manage System Security	Maintain and Retain System Audit Trail	The solution will not store database connection information, passwords, and any other sensitive credentials in plain text.						
Manage Staff Workload and Performance	Make Assignments	The solution will provide the ability for UI Management to assign work items to State Staff.						
Manage Staff Workload and Performance	Make Assignments	The solution will establish the appropriate work items, assign work items to the appropriate work queues, and generate the appropriate notifications for State Staff based on the State's business rules.						
Manage Staff Workload and Performance	Make Workload Adjustments	The solution will provide the ability for UI Management to reassign work items to State staff based on workflows and the State's business rules.						
Manage Staff Workload and Performance	Monitor Staff Workload	The solution will provide customizable summaries of State Staff scheduled workload (e.g., completed workload for actual production completed).						
Manage Staff Workload and Performance	Track and Monitor Staff Performance	The solution will monitor and track key performance indicators and metrics defined by the UIA agency (e.g., production of a common report for completed production, work item counts, time spent on calls etc. ).						

Manage Staff Workload and Performance	Track and Monitor Staff Performance	The solution will track State Staff work / case progress for various activities by time period (day, week, and month).						
Manage Communications	Manage Website Information / Updates	The solution will ensure the website is fully accessible via browsers and scalable handheld devices.						
Manage Communications	Manage Website Information / Updates	The solution will support the use of standard web browsers (e.g., Chrome, Safari, Firefox, Microsoft Edge, and Microsoft Internet Explorer) and support all major versions that are released.						
Manage Communications	Manage Paper / Digital Forms of Communication	The solution will support mass communication, including allowing State Staff to easily query for email and home addresses of active Claimants.						
Manage Communications	Manage Paper / Digital Forms of Communication	The solution will track all digital communication (including text messages) sent to the Claimants and Employers.						
Manage Communications	Manage Website Information / Updates	The solution will allow authorized State Staff to manage and maintain information on the website.						
Manage Communications	Perform Outreach	The solution will intake queries from external stakeholders (including media and legislators) and assign the appropriate workflows to appropriate State Staff.						
Manage Communications	Perform Outreach	The solution must allow staff to identify partner organizations (e.g., non-profits) and send notices to those organizations individually and as a group (e.g., legislators, governor's office, union leadership, congressional entities).						
Manage Communications	Perform Outreach	The solution will integrate with the CRT (Centralized Response Team) solution to intake legislative requests/inquiries.						

Manage Internal Controls	Perform Internal Audits	The solution will cross-match UI Benefits claim data with data from other sources, as mandated by the US DOL (e.g., cross-matching UI Benefits claim data with UI Tax wage data reported by Employers).						
Manage Internal Controls	Maintain Policy and Procedure	The solution will manage and maintain LEO/UIA policies based on the State and Federal requirements.						
Manage Internal Controls	Perform Internal Audits	The solution will provide the ability to audit internal staff and contractor trainings and compliance, e.g.: <ul style="list-style-type: none"> <li>o Michigan dept of treasury – Staff must be compliant to access solution</li> <li>o Federal taxpayer information – Staff must be compliant to access solution</li> <li>o IRS training – Staff must be compliant to access solution</li> <li>o Data Governance</li> <li>o Limited English proficiency</li> <li>o Ethical standards &amp; conflict of interest</li> </ul>						
Manage Internal Controls	Provide Staff Training, Learning and Development	The solution will provide the ability to track staff training, learning and development.						
Manage Internal Controls	Perform Internal Audits	The solution will have the ability to track and manage internal audit requests (e.g., UIA staffing, financial reporting, monitor team performance).						
Provide UIA System Support Services	Support Technical Inquiries Related to the System	The solution will have the ability for tracking, managing, and resolving technical inquiries related to the system.						
Provide UIA System Support Services	Manage Infrastructure	The solution will provide a flexible and scalable solution that is compliant with industry standards.						

Provide UIA System Support Services	Manage Infrastructure	The solution will support relational database management system (RDBMS) capabilities and services.						
Provide UIA System Support Services	Manage Infrastructure	The solution will manage all data by the system (e.g., configuration, transactions) and data shall be stored in the database repository.						
Provide UIA System Support Services	Manage Infrastructure	The solution will support an online data dictionary and table relationships that describes and maintains information on each data element including data element name and type, description of the data element, and the format of each data element.						
Provide UIA System Support Services	Manage External Interfaces/Integrations	The solution will utilize open architecture for user and system interfaces utilizing current and industry-accepted standards, methods, and protocols (e.g., APIs).						
Provide UIA System Support Services	Manage External Interfaces/Integrations	The solution will support the use of a Service Oriented Architecture and common and customizable Web Services.						
Provide UIA System Support Services	Manage External Interfaces/Integrations	The solution will provide non-proprietary extensibility using standard, commonly available Web-based or Microsoft-based tools and languages.						
Provide UIA System Support Services	Manage External Interfaces/Integrations	The solution will integrate directly with third-party systems using API-enabled protocols.						



SCHEDULE B – PRICING

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

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

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

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

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

**Table A - Subscription License Model**

Subscription Based - Product Name	Annual License Subscription Fee (Price per user)	Annual Tiered Pricing	Annual Enterprise Licensing – Unlimited Number of Users
(Contractor to enter product name)			
(Contractor to enter product name)			

**Table B – Non-Subscription License Model**

Licensed Product Name	Perpetual Licensing – One Time Cost	Annual Term-Based Pricing	Annual Tiered Pricing	Annual Enterprise Pricing Model – Unlimited Number of Users	Monthly Support Service Fees	Monthly Hosting Fees including tiered pricing
(Contractor to enter product name)						
(Contractor to enter product name)						

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

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

4. **Implementation Fees.** All costs associated with Implementation Services are included below (e.g. configuration, customization, migration, integration, testing, etc.) (the “**Implementation Fees**”). All costs are firm fixed.

Bidder must provide detailed pricing and a payment schedule for the implementation of their product.

Implementation Fees will be awarded based on a firm fixed fee. However, for price evaluation purposes, Bidder must provide a detailed breakdown of how Implementation Fees were calculated.

**Payment by Milestone.** Bidder must provide fixed cost pricing based on the payment schedule below.

<b>Milestones</b>	<b>Deliverables/Work Products</b>	<b>Percent of Payment</b>	<b>Cumulative Milestone Percentage of Payment</b>
<b>Project Planning &amp; Management</b>	1. Project Kickoff Materials	1%	7%
	2. Project Management Plan	1%	
	3. Project Deployment Plan	1%	
	4. Baseline Project Schedule	1%	
	5. Configuration Management Plan	1%	
	6. Stakeholder Outreach and Communication Plan	1%	
	7. Deliverable Expectation Documents (DEDs)	1%	
<b>Requirements &amp; Design Validation</b>	Validation Sessions	1.25%	5%
	Final Requirement Validation Document	1.25%	
	Final Design Document	1.25%	
	Final Implementation Document	1.25%	
<b>Enterprise Analysis and Design</b>	1. Requirements Traceability Matrix	2.50%	5%
	2. Conceptual Design Documentation	2.50%	
<b>Provision Environments</b>	1. Validate Test and Production environments	5%	5%

<b>Build (Development and Configuration)</b>	1. Solution Implementation Plan	2%	10%
	<i>a.</i> Security Plan		
	<i>b.</i> Disaster Recovery and Business Continuity Plan		
	<i>c.</i> Infrastructure Support Plan		
	2. Final Solution and Testing Document	2%	
	3. Data Conversion and Migration Plan	2%	
	4. Integration Plan	2%	
	5. Cutover Plan	2%	
<b>Testing &amp; Acceptance</b>	1. Test Plan	2%	14%
	2. Test Cases and Test Scripts	2%	
	3. System Integration Test Results	2%	
	4. UAT Support and UAT Results	2%	
	5. Final Test Results Report	2%	
	6. Final Training Documentation	2%	
	7. Final Acceptance	2%	
<b>Training &amp; Knowledge Transfer</b>	1. Training Plan	3%	9%
	2. Training Curriculum and Materials	3%	
	3. Training Completion Report	3%	
<b>Cutover Readiness and Production Go-Live</b>	1. Readiness Report	5%	45%
	2. Updated Project Implementation Plans	5%	
	3. Final As-Built System Documentation	5%	
	4. Technical Documentation for Knowledge Transfer	5%	
	5. Updated Cutover Plan and Schedule	5%	

	6. Cutover Completion Report	10%	
<b>Post Production Warranty</b>	Included in the cost of Solution	0%	
<b>TOTAL</b>			<b>100%</b>

5. Postproduction Warranty. The Contractor must provide 120 calendar days postproduction warranty at no cost to the State. The postproduction warranty will meet all requirements of the contract, including all Support Services identified in Schedule D.

6. Rate Card for Ancillary Professional Services.

Resource	On-Site Hourly Rate	On-Shore and Off-Site Hourly Rate

Price proposals must include a fixed-price hourly-rate rate card for ancillary professional services (e.g. future enhancement configuration services) broken down by role (e.g. Solution design architect). If Bidder differentiates between on-site and remote services, provide pricing for both.

7. Open Source or Third Party Products

The Contractor must identify any open source or third-party products that include a separate licensing fee and will be used in connection with the proposed Solution.

Product	Price

8. Additional Pricing Terms

The Contractor is encouraged to offer quick payment terms. The number of days must not include processing time for payment to be received by the Contractor's financial institution.

Quick payment terms: \_\_\_\_\_ % discount off invoice if paid within \_\_\_\_\_ days after receipt of invoice.

If Contractor reduces its prices, or offers a lower price to any other entity, private or public, for any of the software or services during the term of this Contract, the State shall have the immediate benefit of such lower prices for new purchases. Contractor shall send notice to the State's Contract Administrator with the reduced prices within fifteen (15) Business Days of the reduction taking effect.

**Travel and Expenses**

The State does not pay for overtime or travel expenses.

SCHEDULE C - INSURANCE SCHEDULE

Required Coverage.

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

Required Limits	Additional Requirements
<b>Commercial General Liability Insurance</b>	
<u>Minimal Limits:</u> \$1,000,000 Each Occurrence \$1,000,000 Personal & Advertising Injury \$2,000,000 Products/Completed Operations \$2,000,000 General Aggregate Limit	Policy must be endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds using endorsement CG 20 10 11 85, or both CG 20 10 12 19 and CG 20 37 12 19.
<b>Automobile Liability Insurance</b>	
<u>Minimal Limits:</u> \$1,000,000 Per Accident	Policy must: (1) be endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds; and (2) include Hired and Non-Owned Automobile coverage.
<b>Workers' Compensation Insurance</b>	
<u>Minimal Limits:</u> Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
<b>Employers Liability Insurance</b>	
<u>Minimal Limits:</u> \$500,000 Each Accident \$500,000 Each Employee by Disease \$500,000 Aggregate Disease.	
<b>Privacy and Security Liability (Cyber Liability) Insurance</b>	
<u>Minimal Limits:</u> \$3,000,000 Each Occurrence \$1,000,000 Annual Aggregate	Policy must cover information security and privacy liability, privacy notification costs, regulatory defense and penalties, and website media content liability.

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

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

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

SCHEDULE D - SERVICE LEVEL AGREEMENT

**IF THE SOFTWARE IS STATE HOSTED, then the following applies:**

The parties agree as follows:

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

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

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

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

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

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

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

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

**“Resolve”** and the correlative terms, **“Resolved”**, **“Resolving”** and **“Resolution”** each have the meaning set forth in **Section 2.4**

**“Service Credit”** has the meaning set forth in **Section 3.1**

**“Second Line Support”** means the identification, diagnosis and correction of Errors by the provision of (a) telephone and email assistance by a qualified individual on the Contact List and remote application support, or (b) on-site technical support at the State's premises by a qualified individual on the Contact List.

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

**“Service Level Table”** means the table set out in **Section 2.4**

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

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

**“Support Hours”** means 8 a.m. to 5 p.m. Monday through Friday

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

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

**3. Support Services.** The State will provide First Line Support prior to making a Service Request for Second Line Support. Contractor shall perform all Second Line Support and other Support Services during the Support Hours throughout the Support Period in accordance with the terms and conditions of this Schedule and the Contract, including the Service Levels and other Contractor obligations set forth in this **Section 2**.

**3.1 Support Service Responsibilities.** Contractor shall:

- (a) provide unlimited telephone support during all Support Hours;
- (b) respond to and Resolve all Support Requests in accordance with the Service Levels;
- (c) provide unlimited remote Second Line Support to the State during all Support Hours;
- (d) provide on-premise Second Line Support to the State if remote Second Line Support will not Resolve the Error; and
- (e) provide to the State all such other services as may be necessary or useful to correct an Error or otherwise fulfill the Service Level requirements, including defect repair, programming corrections and remedial programming.

**3.2 Support Requests.** Once the State has determined that an Error is not the result of a **State Cause**, the State may request Support Services by way of a Support Request. The State shall classify its requests for Error corrections in accordance with the support request classification and definitions of the Service Level Table set forth in **Section 2.4** (each a “**Support Request**”). The State shall notify Contractor of each Support Request by e-mail or telephone. The State shall include in each Support Request a description of the reported Error and the time the State first observed the Error.

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

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

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



Support Request Classification	Definition	Service Level Metric (Required Response Time)	Service Level Metric (Required Resolution Time)
<b>Critical Service Error</b>	(a) Issue affecting entire Software system or single critical production function;  (b) Software down or operating in materially degraded state;  (c) Data integrity at risk;  (d) Material financial impact;  (e) Widespread access interruptions: or  (f) Classified by the state as a Critical Service Error	Contractor shall acknowledge receipt of a Support Request within thirty (30) minutes.	Contractor shall Resolve the Support Request as soon as practicable and no later than four (4) hours after Contractor's receipt of the Support Request.  If the Contractor Resolves the Support Request by way of a work-around accepted in writing by the State, the support classification assessment will be reduced to a High Service Error.

Support Request Classification	Definition	Service Level Metric (Required Response Time)	Service Level Metric (Required Resolution Time)
<b>High Service Error</b>	<p>(a) A Critical Service Error for which the State has received, within the Resolution time for Critical Service Errors, a work-around that the State has accepted in writing; or</p> <p>(b) Primary component failure that materially impairs Software's performance;</p> <p>(c) Data entry or access is materially impaired on a limited basis; or</p> <p>(d) performance issues of severe nature impacting critical processes</p>	<p>Contractor shall acknowledge receipt of a Support Request or, where applicable, the State's written acceptance of a Critical Service Error work-around, within twenty-four (24) hours.</p>	<p>Contractor shall Resolve the Support Request as soon as practicable and no later than two (2) Business Days after Contractor's receipt of the Support Request or, where applicable, the State's written acceptance of a Critical Service Error work-around.</p>
<b>Medium Service Error</b>	<p>An isolated or minor Error in the Software that meets any of the following requirements:</p> <p>(a) does not significantly affect Software functionality;</p> <p>(b) can or does impair or disable only certain non-essential Software functions; or</p> <p>(c) does not materially affect the State's use of the Software</p>	<p>Contractor shall acknowledge receipt of the Support Request within two (2) Business Days.</p>	<p>Contractor shall Resolve the Support Request as soon as practicable and no later than ten (10) Business Days after Contractor's receipt of the Support Request.</p>
<b>Low Service Error</b>	<p>Request for assistance, information, or services</p>	<p>Contractor shall acknowledge receipt of the Support Request</p>	<p>N/A</p>

Support Request Classification	Definition	Service Level Metric (Required Response Time)	Service Level Metric (Required Resolution Time)
	that are routine in nature.	within five (5) Business Days.	

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

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

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

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

#### 4. Service Credits.

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

Support Request Classification	Service Level Credits (For Failure to Respond to any Support Request Within the Corresponding Response Time)	Service Level Credits (For Failure to Resolve any Support Request Within the Corresponding Required Resolution Time)
<b>Critical Service Error</b>	An amount equal to 5% of the then current monthly Support Fee for each hour by which Contractor's response exceeds the required Response time.	An amount equal to 5% of the then current monthly Support Fee for each hour by which Contractor's Resolution of the Support Request exceeds the required Resolution time.
<b>High Service Error</b>	An amount equal to 3% of the then current monthly Support Fee for each Business Day, and a pro-rated share of such percentage for each part of a Business Day, by which Contractor's response exceeds the required Response time.	An amount equal to 3% of the then current monthly Support Fee for each Business Day, and a pro-rated share of such percentage for each part of a Business Day, by which Contractor's Resolution of the Support Request exceeds the required Resolution time.

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

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

4.4 Additional Remedies for Service Level Failures. Contractor's repeated failure to meet the Service Levels for Resolution of any Critical Service Errors or High Service Errors, or any combination of such Errors, within the applicable Resolution time set out in the Service Level Table will constitute a material breach under the Contract. Without limiting the State's right to receive Service Credits under this 5.3, the State may terminate this Schedule for cause in accordance with terms of the Contract.

5. **Milestone Service Level Milestone**. Contractor will meet all milestones in accordance with the required times and other terms and conditions set forth in **Section 5 ("Milestone Service Level Requirements")**, and the Contract.

5.1 Foreseen Missed Milestone. If Contractor identifies a milestone will be missed, Contractor will inform the Agency and DTMB Program Managers in writing within 5 business days before the missed milestone.

5.2 Milestone Support Requests. The State will classify its Service Delinquency in accordance with the descriptions set forth in the chart below (each a "**Milestone Support Request**").

Support Request Classification	Description:
Critical Service Delinquency	<ul style="list-style-type: none"> <li>A milestone is missed by more than 20 business days</li> </ul>
High Service Delinquency	<ul style="list-style-type: none"> <li>A milestone is missed by between 15 and 19 business days</li> </ul>
Medium Service Delinquency	<ul style="list-style-type: none"> <li>A milestone is missed by between 10 and 14 business days</li> </ul>
Low Service Delinquency	<ul style="list-style-type: none"> <li>A milestone is missed by between 5 and 9 business days</li> </ul>

5.3 Resolution Time Service Levels. Resolution times will be measured from the end of the initial milestone date to the Resolved date, in the case of Resolution time. "**Resolve**" (including "**Resolved**", "**Resolution**" and correlative capitalized terms) means that, as to any Service Delinquency, Contractor has completed the milestone and the State has confirmed such completion and its acceptance thereof.

Support Request Classification	Service Level Credits  (For Failure to Meet any Milestone Within the Corresponding Required Resolution Time)
Critical Service Delinquency	Twenty-five percent (25%) of the fixed fee for the milestone payment.
High Service Delinquency	Ten percent (10%) of the fixed fee for the milestone payment.
Medium Service Delinquency	Five percent (5%) of the fixed fee for the milestone payment.
Low Service Delinquency	Three percent (3%) of the fixed fee for the milestone payment.

5.4 Scope Changes. Any changes to the scope of work as defined in Schedule A by the State will result in a change order with additional cost and/or timeline impacts. All Service Level Agreements for the Milestones are considered void and must be re-established when/if a new project schedule is established.

5.5 Delays. If the State does not complete any task in the required time as defined in the Project Plan, Timeline and Milestones Section of this contract, all Service Level Agreements for the Milestones are considered void and must be re-established when an updated project schedule is created and agreed upon. If Customer delays result in a timeline extension, a change order will be required to document the change in timeline and may result in additional cost. This section is void is if State delay is caused by Contractor.

(a) Testing, Acceptance and Credits. User Acceptance Testing (UAT) of all functionality for the Software and any other required modules will be tested by the State in a timely manner as per the acceptance criteria set forth in this Change Notice. User acceptance testing will adhere to the agreed upon published project schedule. Testing delays caused solely by the Contractor shall result in service credits for the State, as outlined in **Section 5.3**. Further, testing delays directly attributed to the Contractor failing to meet the published standard of promptness for defect resolution necessary for continued user acceptance testing shall result in service credits for the State, as outlined in **Section 5.3**.

5.6 The State and Contractor with mutual agreement can extend the timeline as needed. SLAs will be modified to reflect these extensions.

5.7 Service Level Credits. Failure. Failure to achieve any of the Milestones will constitute a Service Level Failure for which Contractor will issue to the State the corresponding service credits set forth in **Section 5.3** (“**Service Level Credits**”) in accordance with payment terms set forth in the Contract.

5.8 Corrective Action Plan. If two or more High Service Delinquencies occur in any thirty (30) day period unless as a result of delays caused by the State, the Contractor will promptly investigate the root causes of these Service Delinquencies and provide to the State within five (5) Business Days of its receipt of notice of the second such Support Request an analysis of such root causes and a proposed written corrective action plan for the State’s review, comment and approval, which, subject to and upon the State’s written approval, shall be a part of, and by this

reference is incorporated in, the Contract as the parties' corrective action plan (the "**Corrective Action Plan**"). The Corrective Action Plan must include, at a minimum: (a) Contractor's commitment to the State to devote the appropriate time, skilled personnel, systems support and equipment and other resources necessary to Resolve and prevent any further occurrences of the Service Errors giving rise to such Support Requests; (b) a strategy for developing any programming, software updates, fixes, patches, etc. necessary to remedy, and prevent any further occurrences of, such Service Errors; and (c) time frames for implementing the Corrective Action Plan. There will be no additional charge for Contractor's preparation or implementation of the Corrective Action Plan in the time frames and manner set forth therein unless delays are caused by the State.

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

SCHEDULE D - SERVICE LEVEL AGREEMENT

**IF THE SOFTWARE IS CONTRACTOR HOSTED, then the following applies:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“**Support Hours**” means 8 a.m. to 5 p.m. Monday through Friday

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

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

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

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

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

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

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

**2.4** Software Response Time. Software response time, defined as the interval from the time the end user sends a transaction to the time a visual confirmation of transaction completion is received, must be less than two (2) seconds for 98% of all transactions. Unacceptable response times shall be considered to make the Software unavailable and will count against the Availability Requirement.

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

**2.6** Remedies for Service Availability Failures.



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

Availability	Credit of Fees
≥99.98%	None
<99.98% but ≥99.0%	15%
<99.0% but ≥95.0%	50%
<95.0%	100%

(b) Any Service Availability Credits due under this **Section 2.6** will be applied in accordance with payment terms of the Contract.

(c) If the actual Availability of the Hosted Services and Software is less than the Availability Requirement in any two (2) of four (4) consecutive Service Periods, then, in addition to all other remedies available to the State, the State may terminate the Contract on written notice to Contractor with no liability, obligation or penalty to the State by reason of such termination.

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

3.1 Support Service Responsibilities. Contractor will:

- (a) correct all Service Errors in accordance with the Support Service Level Requirements, including by providing defect repair, programming corrections and remedial programming;
- (b) provide unlimited telephone support hours 8 a.m. to 5 p.m. Eastern.
- (c) provide unlimited online support 24 hours a day, seven days a week;
- (d) provide online access to technical support bulletins and other user support information and forums, to the full extent Contractor makes such resources available to its other customers; and
- (e) respond to and Resolve Support Requests as specified in this **Section 3**

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

- (a) proactively monitoring on a twenty-four (24) hour by seven (7) day basis all Hosted Service functions, servers, firewall and other components of Hosted Service security;
- (b) if such monitoring identifies, or Contractor otherwise becomes aware of, any circumstance that is reasonably likely to threaten the Availability of the Hosted Service, taking all necessary and reasonable remedial measures to promptly eliminate such threat and ensure full Availability; and
- (c) if Contractor receives knowledge that the Hosted Service or any Hosted Service function or component is not Available (including by written notice from the State pursuant to the procedures set forth herein):
  - (i) confirming (or disconfirming) the outage by a direct check of the associated facility or facilities;
  - (ii) If Contractor’s facility check in accordance with clause (i) above confirms a Hosted Service outage in whole or in part: (A) notifying the State in writing pursuant to the

procedures set forth herein that an outage has occurred, providing such details as may be available, including a Contractor trouble ticket number, if appropriate, and time of outage; and (B) working all problems causing and caused by the outage until they are Resolved as Critical Service Errors in accordance with the Support Request Classification set forth in **Section 3.5 and 3.6**, or, if determined to be an internet provider problem, open a trouble ticket with the internet provider; and

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

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

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

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

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

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

Support Request Classification	Description:  Any Service Error Comprising or Causing any of the Following Events or Effects
Critical Service Error	<ul style="list-style-type: none"> <li>• Issue affecting entire system or single critical production function;</li> <li>• System down or operating in materially degraded state;</li> <li>• Data integrity at risk;</li> <li>• Declared a Critical Support Request by the State; or</li> <li>• Widespread access interruptions.</li> </ul>
High Service Error	<ul style="list-style-type: none"> <li>• Primary component failure that materially impairs its performance; or</li> <li>• Data entry or access is materially impaired on a limited basis.</li> </ul>

Medium Service Error	<ul style="list-style-type: none"> <li>IT Environment Services and Software is operating with minor issues that can be addressed with an acceptable (as determined by the State) temporary work around.</li> </ul>
Low Service Error	<ul style="list-style-type: none"> <li>Request for assistance, information, or services that are routine in nature.</li> </ul>

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

Support Request Classification	Service Level Metric  (Required Response Time)	Service Level Metric  (Required Resolution Time)	Service Level Credits  (For Failure to Respond to any Support Request Within the Corresponding Response Time)	Service Level Credits  (For Failure to Resolve any Support Request Within the Corresponding Required Resolution Time)
Critical Service Error	One (1) hour	Three (3) hours	Five percent (5%) of the Fees for the month in which the initial Service Level Failure begins and five percent (5%) of such monthly Fees for each additional hour or portion thereof that the corresponding Service Error is not responded to within the required response time.	Five percent (5%) of the Fees for the month in which the initial Service Level Failure begins and five percent (5%) of such monthly Fees for the first additional hour or portion thereof that the corresponding Service Error remains un-Resolved, which amount will thereafter double for each additional one-hour increment.
High Service Error	One (1) hour	Four (4) hours	Three percent (3%) of the Fees for the month in which the initial Service Level Failure	Three percent (3%) of the Fees for the month in which the initial Service Level

			begins and three percent (3%) of such monthly Fees for each additional hour or portion thereof that the corresponding Service Error is not responded to within the required response time.	Failure begins and three percent (3%) of such monthly Fees for the first additional hour or portion thereof that the corresponding Service Error remains un-Resolved, which amount will thereafter double for each additional one-hour increment.
Medium Service Error	Three (3) hours	Two (2) Business Days	N/A	N/A
Low Service Error	Three (3) hours	Five (5) Business Days	N/A	N/A

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

3.8 **Support Service Level Credits.** Failure to achieve any of the Support Service Level Requirements for Critical and High Service Errors will constitute a Service Level Failure for which Contractor will issue to the State the corresponding service credits set forth in **Section 3.1 (“Service Level Credits”)** in accordance with payment terms set forth in the Contract.

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

**4. Milestone Service Level Milestone.** Contractor will meet all milestones in accordance with the required times and other terms and conditions set forth in **Section 4 (“Milestone Service Level Requirements”)**, and the Contract.

4.1 **Foreseen Missed Milestone.** If Contractor identifies a milestone will be missed, Contractor will inform the Agency and DTMB Program Managers in writing withing 5 business days before the missed milestone.

4.2 **Milestone Support Requests.** The State will classify its Service Delinquency in accordance with the descriptions set forth in the chart below (each a **“Milestone Support Request”**).

Support Request Classification	Description:
Critical Service Delinquency	<ul style="list-style-type: none"> <li>A milestone is missed by more than 20 business days</li> </ul>
High Service Delinquency	<ul style="list-style-type: none"> <li>A milestone is missed by between 15 and 19 business days</li> </ul>
Medium Service Delinquency	<ul style="list-style-type: none"> <li>A milestone is missed by between 10 and 14 business days</li> </ul>
Low Service Delinquency	<ul style="list-style-type: none"> <li>A milestone is missed by between 5 and 9 business days</li> </ul>

4.3 Resolution Time Service Levels. Resolution times will be measured from the end of the initial milestone date to the Resolved date, in the case of Resolution time. **“Resolve”** (including **“Resolved”**, **“Resolution”** and correlative capitalized terms) means that, as to any Service Delinquency, Contractor has completed the milestone and the State has confirmed such completion and its acceptance thereof.

Support Request Classification	Service Level Credits  (For Failure to Meet any Milestone Within the Corresponding Required Resolution Time)
Critical Service Delinquency	Twenty-five percent (25%) of the fixed fee for the milestone payment.
High Service Delinquency	Ten percent (10%) of the fixed fee for the milestone payment.
Medium Service Delinquency	Five percent (5%) of the fixed fee for the milestone payment.
Low Service Delinquency	Three percent (3%) of the fixed fee for the milestone payment.

4.4 Scope Changes. Any changes to the scope of work as defined in Schedule A by the State will result in a change order with additional cost and/or timeline impacts. All Service Level Agreements for the Milestones are considered void and must be re-established when/if a new project schedule is established.

4.5 Delays. If the State does not complete any task in the required time as defined in the Project Plan, Timeline and Milestones Section of this contract, all Service Level Agreements for the Milestones are considered void and must be re-established when an updated project schedule is created and agreed upon. If Customer delays result in a

timeline extension, a change order will be required to document the change in timeline and may result in additional cost. This section is void if State delay is caused by Contractor.

(a) **Testing, Acceptance and Credits.** User Acceptance Testing (UAT) of all functionality for the Software and any other required modules will be tested by the State in a timely manner as per the acceptance criteria set forth in this Change Notice. User acceptance testing will adhere to the agreed upon published project schedule. Testing delays caused solely by the Contractor shall result in service credits for the State, as outlined in **Section 4.3**. Further, testing delays directly attributed to the Contractor failing to meet the published standard of promptness for defect resolution necessary for continued user acceptance testing shall result in service credits for the State, as outlined in **Section 4.3**.

4.6 The State and Contractor with mutual agreement can extend the timeline as needed. SLAs will be modified to reflect these extensions.

4.7 **Service Level Credits.** Failure. Failure to achieve any of the Milestones will constitute a Service Level Failure for which Contractor will issue to the State the corresponding service credits set forth in **Section 4.3** ("**Service Level Credits**") in accordance with payment terms set forth in the Contract.

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

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

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

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

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

**5.4 Disaster Recovery.** Throughout the Term and at all times in connection with its actual or required performance of the Services, Contractor will maintain and operate a backup and disaster recovery plan to achieve a Recovery Point Objective (RPO) of 2 hours or less, and a Recovery Time Objective (RTO) of 2 hours or less (the “**DR Plan**”), and implement such DR Plan in the event of any unplanned interruption of the Hosted Services. Contractor’s current DR Plan, revision history, and any reports or summaries relating to past testing of or pursuant to the DR Plan are attached as **Schedule F**. Contractor will actively test, review and update the DR Plan on at least an annual basis using industry best practices as guidance. Contractor will provide the State with copies of all such updates to the Plan within fifteen (15) days of its adoption by Contractor. All updates to the DR Plan are subject to the requirements of this **Section 5**; and provide the State with copies of all reports resulting from any testing of or pursuant to the DR Plan promptly after Contractor’s receipt or preparation. If Contractor fails to reinstate all material Hosted Services and Software within the periods of time set forth in the DR Plan, the State may, in addition to any other remedies available under this Contract, in its sole discretion, immediately terminate this Contract as a non-curable default.

SCHEDULE D - Attachment 1 – Contact List



SCHEDULE E – DATA SECURITY REQUIREMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**4. Acceptable Use Policy.** To the extent that Contractor has access to the State's IT environment, Contractor must comply with the State's Acceptable Use Policy, see <https://www.michigan.gov/dtmb/-/media/Project/Websites/dtmb/Law-and-Policies/IT-Policy/13400013002-Acceptable-Use-of-Information-Technology-Standard.pdf>. All Contractor Personnel will be required, in writing, to agree to the State's Acceptable Use Policy before accessing State systems. The State reserves the right to terminate Contractor's and/or subcontractor(s) or any Contractor Personnel's access to State systems if the State determines a violation has occurred.

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

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

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

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

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

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

5.6 take all reasonable measures to:

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

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

contaminated by the data of other customers or their users of the Services; and (iii) unauthorized access to any of the State Data;

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

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

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

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

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

**8. Security Audits.**

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

8.2 Without limiting any other audit rights of the State, the State has the right to review Contractor's data privacy and information security program prior to the commencement of Services and from time to time during the term of this Contract. The State, at its own expense, is entitled to perform, or to have performed, an on-site audit of Contractor's data privacy and information security program. If the State chooses to perform an on-site audit, Contractor will, make all such records, appropriate personnel and relevant materials available during normal business hours for inspection and audit by the State or an independent data security expert that is reasonably acceptable to Contractor, provided that the State: (i) gives Contractor at least five (5) Business Days prior notice of any such audit; (ii) undertakes such audit no more than once per calendar year, except for good cause shown; and (iii) conducts or causes to be conducted such audit in a manner designed to minimize

disruption of Contractor's normal business operations and that complies with the terms and conditions of all data confidentiality, ownership, privacy, security and restricted use provisions of the Contract. The State may, but is not obligated to, perform such security audits, which shall, at the State's option and request, include penetration and security tests, of any and all Hosted Services and their housing facilities and operating environments.

8.3 During the Term, Contractor will, when requested by the State, provide a copy of Contractor's and Hosting Provider's FedRAMP System Security Plan(s) or SOC 2 Type 2 report(s) to the State within two weeks of the State's request. The System Security Plan and SSAE audit reports will be recognized as Contractor's Confidential Information.

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

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

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

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

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

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

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

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

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

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

open source software, and for all third party and open source software in each major release and Contractor must provide the State with a vulnerability assessment after Contractor has completed the required scans if not provided as part of SAST and/or DAST reporting.

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

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

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

#### **10. Infrastructure Scanning.**

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

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

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

SCHEDULE E, Attachment 1 – Tax Regulation, PCI Compliance and CEPAS

**1. PCI Compliance.**

Contractors that process, transmit store or affect the security of credit/debit cardholder data, must adhere to the PCI Data Security Standard. The Contractor is responsible for the security of cardholder data in its possession. The data may only be used to assist the State or for other uses specifically authorized by law.

The Contractor must notify the State's Contract Administrator (within 48 hours of discovery) of any breaches in security where cardholder data has been compromised. In that event, the Contractor must provide full cooperation to the card associations (e.g. Visa, MasterCard, Discover, and American Express) and state acquirer representative(s), or a PCI approved third party, to conduct a thorough security review. The Contractor must provide, at the request of the State, the results of such third party security review. The review must validate compliance with the PCI Data Security Standard for protecting cardholder data. At the State's sole discretion, the State may perform its own security review, either by itself or through a PCI approved third party.

The Contractor is responsible for all costs incurred as the result of the breach. Costs may include, but are not limited to, fines/fees for non-compliance, card reissuance, credit monitoring, and any costs associated with a card association, PCI approved third party, or State initiated security review.

Without limiting Contractor's obligations of indemnification as further described in this Contract, Contractor must indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the breach.

The Contractor must dispose of cardholder data when it is no longer needed in compliance with PCI DSS policy. The Contractor must continue to treat cardholder data as confidential upon contract termination.

The Contractor must provide the State's Contract Administrator with an annual Attestation of Compliance (AOC) if or a Report on Compliance (ROC) showing the contractor is in compliance with the PCI Data Security Standard. The Contractor must notify the State's Contract Administrator of all failures to comply with the PCI Data Security Standard.

**2. CEPAS Electronic Receipt Processing Standard.**

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

<https://stateofmichigan.sharepoint.com/teams/insidetreasury/about-treasury/work-areas/Documents/CEPAS/Integration%20Guides%20and%20Hotfix%20Notes/PayPoint%20Merchant%20Integration%20Guide%202.14.2021.pdf?CT=1623169629598&OR=Outlook-Body&CID=97F008F1-D094-4ED7-9335-63E0B12988E6>

**3. Exhibit 7 – IRS Publication 1075**

**Exhibit 7 Safeguarding Contract Language**

**I. PERFORMANCE**

In performance of this contract, the Contractor agrees to comply with and assume responsibility for compliance by officers or employees with the following requirements:

- (1) All work will be performed under the supervision of the Contractor.
- (2) The contractor and contractor's officers or employees to be authorized access to FTI must meet background check requirements defined in IRS Publication 1075. The contractor will maintain a list of officers or employees authorized access to FTI. Such list will be provided to the agency and, upon request, to the IRS.
- (3) FTI in hardcopy or electronic format shall be used only for the purpose of carrying out the provisions of this contract. FTI in any format shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Inspection or disclosure of FTI to anyone other than the contractor or the contractor's officers or employees authorized is prohibited.
- (4) FTI will be accounted for upon receipt and properly stored before, during, and after processing. In addition, any related output and products require the same level of protection as required for the source material.
- (5) The contractor will certify that FTI processed during the performance of this contract will be completely purged from all physical and electronic data storage with no output to be retained by the contractor at the time the work is completed. If immediate purging of physical and electronic data storage is not possible, the contractor will certify that any FTI in physical or electronic storage will remain safeguarded to prevent unauthorized disclosures.
- (6) Any spoilage or any intermediate hard copy printout that may result during the processing of FTI will be given to the agency. When this is not possible, the contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts and will provide the agency with a statement containing the date of destruction, description of material destroyed, and the destruction method.
- (7) All computer systems receiving, processing, storing, or transmitting FTI must meet the requirements in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to FTI.
- (8) No work involving FTI furnished under this contract will be subcontracted without the prior written approval of the IRS.
- (9) Contractor will ensure that the terms of FTI safeguards described herein are included, without modification, in any approved subcontract for work involving FTI.
- (10) To the extent the terms, provisions, duties, requirements, and obligations of this contract apply to performing services with FTI, the contractor shall assume toward the subcontractor all obligations, duties and responsibilities that the agency under this contract assumes toward the contractor, and the subcontractor shall assume toward the contractor all the same obligations, duties and responsibilities which the contractor assumes toward the agency under this contract.
- (11) In addition to the subcontractor's obligations and duties under an approved subcontract, the terms and conditions of this contract apply to the subcontractor, and the subcontractor is bound and obligated to the contractor hereunder by the same terms and conditions by which the contractor is bound and obligated to the agency under this contract.
- (12) For purposes of this contract, the term "contractor" includes any officer or employee of the contractor with access to or who uses FTI, and the term "subcontractor" includes any officer or employee of the subcontractor with access to or who uses FTI.
- (13) The agency will have the right to void the contract if the contractor fails to meet the terms of FTI safeguards described herein.

## II. CRIMINAL/CIVIL SANCTIONS



(1) Each officer or employee of a contractor to whom FTI is or may be disclosed shall be notified in writing that FTI disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any FTI for a purpose not authorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution.

(2) Each officer or employee of a contractor to whom FTI is or may be accessible shall be notified in writing that FTI accessible to such officer or employee may be accessed only for a purpose and to the extent authorized herein, and that access/inspection of FTI without an official need-to-know for a purpose not authorized herein constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution.

(3) Each officer or employee of a contractor to whom FTI is or may be disclosed shall be notified in writing that any such unauthorized access, inspection or disclosure of FTI may also result in an award of civil damages against the officer or employee in an amount equal to the sum of the greater of \$1,000 for each unauthorized access, inspection, or disclosure, or the sum of actual damages sustained as a result of such unauthorized access, inspection, or disclosure, plus in the case of a willful unauthorized access, inspection, or disclosure or an unauthorized access/inspection or disclosure which is the result of gross negligence, punitive damages, plus the cost of the action. These penalties are prescribed by IRC sections 7213, 7213A and 7431 and set forth at 26 CFR 301.6103(n)-1.

(3) Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

(4) Granting a contractor access to FTI must be preceded by certifying that each officer or employee understands the agency's security policy and procedures for safeguarding FTI. A contractor and each officer or employee must maintain their authorization to access FTI through annual recertification of their understanding of the agency's security policy and procedures for safeguarding FTI. The initial certification and recertifications must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, a contractor and each officer or employee must be advised of the provisions of IRC sections 7213, 7213A, and 7431 (see [Exhibit 4, Sanctions for Unauthorized Disclosure](#), and [Exhibit 5, Civil Damages for Unauthorized Disclosure](#)). The training on the agency's security policy and procedures provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 10) For the initial certification and the annual recertifications, the contractor and each officer or employee must sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

#### 4. **Safeguard Requirements of Confidential Tax Data**

This section sets forth the safeguard requirements for handling, storage, and processing of confidential tax information for a Contractor and their subcontractor(s) and is incorporated as an integral part of the Contract. It will facilitate administration and enforcement of the laws of the State of Michigan in a manner consistent with the applicable statutes, regulations, published rules and procedures or written communication.

##### I. Authority

Authority for the Michigan Department of Treasury to require that this section be included in the Contract is contained in 1941 PA 122, as amended, MCL 205.28(1)(f), which subjects current or former contractors to the same restrictions and penalties imposed upon department employees regarding the treatment of confidential information. A private contractor or its employees are strictly prohibited from disclosing taxpayer information to a third party. The prohibition against disclosure does not bar an employee of a private contractor with whom the State of Michigan (State) contracts that processes tax returns or payments pursuant to the Contract from having access to confidential



information that is reasonably required for the processing or collection of amounts due this State. Private contractors and any subcontractors will follow Treasury guidelines for Authorized representatives.

## II. Confidentiality

It is agreed that all information exchanged under this section will be kept confidential in accordance with the confidentiality provisions contained in the Revenue Act, MCL 205.28(1)(f)-which states in part;

“Except as otherwise provided in this subdivision, an employee, authorized representative, or former employee or authorized representative of the department or anyone connected with the department will not divulge any facts or information obtained in connection with the administration of a tax or information or parameters that would enable a person to ascertain the audit selection or processing criteria of the department for a tax administered by the department.”

Confidential information obtained under this contract will not be disclosed except as required by state law, or in the proper administration of applicable laws, promulgated rules and procedures. In the event, confidentiality statutes are amended, Treasury will notify Contractor of any changes. No employee, agent, authorized representative or legal representative of Contractor will disclose any information obtained by virtue of this section to any other division within their company or any other governmental agency, department or unit within such governmental agency whether local, state, federal or foreign, department or unit within such governmental agency, or any unauthorized third party. No tax returns or tax return information accessed by Contractor will be duplicated or disseminated within or outside the company without the written approval of the Contract Compliance Inspector. Tax returns and tax return information remain the property of Treasury.

Contractor may use a taxpayer's name, address and Social Security number or employer identification number to the extent necessary in connection with the processing and mailing of forms for any report or return required in the administration of any tax in the performance of the Contract. The use of the Social Security number must be in accordance with the state Social Security Number Privacy Act 454 of 2004, as amended.

Confidential information obtained under this agreement will not be disclosed in part of a report or document that is subject to FOIA.

The penalties for violating the confidentiality provisions of the Revenue Act are contained in, MCL 205.28(2) and MCL 205.27(4). MCL 205.28(2) states:

“A person who violates subsection (1)(e), (1)(f), (4) or (5) is guilty of a felony, punishable by a fine of not more than \$5,000.00, or imprisonment for not more than 5 years, or both, together with the costs of prosecution. In addition, if the offense is committed by an employee of this state, the person will be dismissed from office or discharged from employment upon conviction.”

MCL 205.27(4) states:

A person who is not in violation pursuant to subsection (2), but who knowingly violates any other provision of this act, or of any statute administered under this act, is guilty of a misdemeanor, punishable by a fine of not more than \$1,000.00, or imprisonment for not more than 1 year, or both.

Information received by Treasury from the U.S. Internal Revenue Service, pursuant to section 6103(d) of the Internal Revenue Code or any other federal agency will not be subject to the exchange.

## III. Procedure for Security

Contractor will safeguard any tax return information obtained under the Contract as follows:

- A. Access to the tax returns and tax return information will be allowed only to those authorized employees and officials of Contractor who need the information to perform their official duties in connection with the uses of the information authorized in this Contract.
- B. Any records created from tax returns and tax return information will be stored in an area that is physically safe from access by unauthorized persons during duty hours and locked in a secure area during non-duty hours, or when not in use.

- C. Any records matched and any records created by the match will be processed under the immediate supervision and control of authorized personnel in a manner in which will protect the confidentiality of the records, and in such a way that unauthorized persons cannot retrieve any such records by means of a computer, remote terminal or other means.
- D. All personnel who will have access to the tax returns and tax return information and to any records created by the tax return information will be advised annually of the confidential nature of the information, the safeguards required to protect the information and the civil and criminal sanctions for noncompliance contained in MCL 205.28 (2) and MCL 205.27(4) and will sign confidentiality certifications.
- E. All confidential information, electronic and paper, will be secured from unauthorized access and with access limited to designated personnel only. State tax return information will not be commingled with other information. All Michigan tax returns and return information will be marked as follows: **CONFIDENTIAL - DO NOT DISCLOSE - MICHIGAN TREASURY TAX RETURN INFORMATION**
- F. Treasury, Office of Privacy and Security or Contract Compliance Inspector may make onsite inspections or make other provisions to ensure that adequate safeguards are being maintained by the Contractor.
- G. The Treasury Office of Privacy and Security may monitor compliance of systems security requirements during the lifetime of the Contract or any extension.
- H. Contractor will also adopt policies and procedures to ensure that information contained in their respective records and obtained from Treasury and taxpayers will be used solely as stipulated in the Contract.

#### IV. Computer System Security of Tax Data

The identification of confidential tax records and defining security controls are intended to protect Treasury tax return information from unlawful disclosure, modification, destruction of information and unauthorized secondary uses.

Computer system security and physical security of tax data stored and processed by Contractor must be in compliance with the following security guidelines and standards established by Treasury. These guidelines apply to any computer system developed by Contractor, either through its own systems staff, or through a contractor, subcontractor or vendor):

##### A. **Controlled Access Protection**

All computer systems processing, storing and transmitting Michigan tax information must have computer access protection controls. These security standards are delineated in the National Institute of Standards and Technology (NIST) Special Publications number 800-53 "Recommended Security Controls for the Federal Information Systems" at <http://csrc.nist.gov/publications/PubsSPs.html>. To meet these standards, the operating security features of the system must have the following minimum requirements: a security policy, accountability, assurance, and documentation.

- 1) **Security Policy** – A security policy is a written document describing the system in terms of categories of data processed, users allowed access and access rules between the users and the data. Additionally, it describes procedures to prevent unauthorized access by clearing all protected information on objects before they are allocated or reallocated out of or into the system. Further protection must be provided where the computer system contains information for more than one program/project, office, or Agency and that personnel do not have authorization to see all information on the system.
- 2) **Accountability** – Computer systems processing Michigan tax information must be secured from unauthorized access. All security features must be available (audit trails, identification and authentication) and activated to prevent unauthorized users from indiscriminately accessing Michigan tax information. Everyone who accesses computer systems containing Michigan tax information is accountable. Access controls must be maintained to ensure that unauthorized access does not go undetected. Computer programmers and contractors who have a need to access databases, and are authorized under the law, must be held accountable for the work performed on the system. The use of passwords and access control measures must be in place to identify who accessed protected information and limit that access to persons with a need to know.

**a) On-line Access** –Users will be limited to any Treasury on-line functions, by limiting access through functional processing controls and organization restrictions.

Any employee granted access privileges through the Contractor’s Security Administrator will be approved for access and viewing rights to Treasury on-line systems by the Department of Treasury, Office of Privacy and Security.

**b) Operating Features of System Security**

Contractor must meet the following levels of protection with respect to tax return information. Individual user accountability must be ensured through user identification number and password.

- i. Access rights to confidential tax information must be secured through appropriate levels of authorization.
- ii. An audit trail must be maintained of accesses made to confidential information.
- iii. All confidential and protected information must be cleared from a system before it is used for other purposes not related to the enforcement, collection or exchange of data not covered by this section or by an addendum to this Contract.
- iv. Hard copies made of confidential tax return information must be labeled as confidential information.
- v. Confidential Treasury tax information will be blocked or coded as confidential on system.
- vi. Any computer system in which Michigan tax return information resides must systematically notify all users upon log-in of the following disclosure penalties for improperly accessing or making an authorized disclosure of Michigan tax return information:

**NOTICE TO EMPLOYEES AND AUTHORIZED REPRESENTATIVES**

This system contains Michigan Department of Treasury tax return information. **DO NOT DISCLOSE OR DISCUSS MICHIGAN RELATED TAX RETURN INFORMATION** with unauthorized individuals. The Revenue Act at MCL 205.28(1)(f) prohibits such disclosure.

**MICHIGAN PENALTIES**

A person making a willful unauthorized disclosure or inspection (browsing) of tax return information may be charged with the following Michigan penalties:

- Criminal penalties up to \$5,000 and/or imprisonment for 5 years, plus costs and dismissal from employment if it is found that a current or former employee or authorized representative has made an unauthorized disclosure of a tax return or tax return information or divulged audit selection or processing parameters. [MCL 205.28(2)]
- A misdemeanor, punishable by a fine of not more than \$1,000.00, or imprisonment for not more than 1 year, or both if the person is not in violation pursuant to MCL 205.27(2), but who knowingly violates any other provision of this act, or of any statute administered under this act.

This statement is subject to modification. A confidentiality statement, subject to modification, will be sent as needed by the Security Administrator to all employees, contractors, and legal representatives of Contractor.

- 3) **Assurance** – Contractor must ensure that all access controls and other security features are implemented and are working when installed on their computer system. Significant enhancements or other changes to a security system must follow the process of review, independent testing, and installation assurance. The security system must be tested at least annually to assure it is functioning correctly. All anomalies must be corrected immediately.

- a) The Contractor must initiate corrective action for all non-conformities as soon as detected and immediately advise the Contract Compliance Inspector. Notice of the corrective action must be provided to the Contract Compliance Inspector. All non-conformities must be reported to the Contract Compliance Inspector with the following:
- a. Duration of non-conformity/interruption
  - b. Reason for non-conformity/interruption
  - c. Resolution.
- b) All non-conformities to the specifications/tasks of the Contract must be corrected within four (4) hours. The State recognizes there will be instances when adherence to this time frame will not be possible. However, the State will only tolerate this on an exception basis. To request an exception to this time frame, the Contractor must submit a detailed project plan to address the non-conformity within four (4) hours to the Contract Compliance Inspector for approval.
- 4) **Documentation** – Design and test documentation must be readily available to the state. The developer or manufacturer should initially explain the security mechanisms, how they are implemented and their adequacy (limitations). This information should be passed on to the security officer or supervisor. Test documentation should describe how and what mechanisms were tested and the results. If recognized organizations/tests/standards are used, then a document to that effect will suffice. For example, a system that has been tested and certified as meeting certain criteria may have a document stating this fact, without detailed tests/results of information. Contractor, however, must ensure the documentation covers the exact system and that it includes the specific computer system used by Contractor.

Additionally, documentation must include a security administrator's guide. The security administrator's guide is addressed to the System's Administrator and Security Officer and will describe the protection mechanisms provided by the security system, guidelines on their use and how they interact. This document will present cautions about security functions and describe privileges that should be controlled when running a secure system. The document will be secured and locked at all times with access rights only by the Systems Administrator and Security Officer.

**Note:** When a security system is designed or purchased for a specific computer or computer system, the security mechanisms must be reviewed by the State to ensure that needed security parameters are met. An independent test should be implemented on the specific computer or computer system to ensure that the security system meets the security parameters within this contract and developed with the computer system. The test may be arranged by the developer but must be done by an independent organization. Contractor must assign responsible individuals (Security Officers) with knowledge of information technology and applications to oversee the testing process. These individuals must be familiar with technical controls used to protect the system from unauthorized entry.

Finally, contingency and backup plans must be in place to ensure protection of Michigan tax information.

#### V. Electronic Transmission of Michigan Tax Information

The two acceptable methods of transmitting Michigan tax information over telecommunications devices are encryption and using guided media. Encryption involves altering data objects in a way that the objects become unreadable until deciphered with the appropriate software at the intended destination. Guided media involves transmission of data over twisted pair cable, coaxial cable or end to end fiber optics which are typically used in secure computer networks like the state's Local Area Network (LAN), telephone systems, and television distribution.

Cryptography standards have been adopted by the IRS and can be used to provide guidance for encryption, message authentication codes or digital signatures and digital signatures with or without an associated certification infrastructure. For further information, see IRS Publication 1075 at the IRS web site.

Unencrypted cable circuits of fiber optics are an acceptable alternative for transmitting Michigan tax information. Adequate measures must be taken to ensure that circuits are maintained on cable and not converted to unencrypted radio or microwave transmission. Additional precautions should be taken to protect the cable, i.e., burying the cable underground or in walls or floors and providing access controls to cable vaults, rooms and switching centers.

### **Remote Access**

Accessing databases containing Michigan tax information from a remote location – that is, a location not directly connected to the Local Area Network (LAN) will require adequate safeguards to prevent unauthorized entry.

For remote access, the contractor is required to use an identification security card that requires both PIN and card in possession. The State identified and approved methods for remote Contractor access are as follows:

- SecureID through VPN – State provided SecureID token and VPN software in order to access State of Michigan resources. Appropriate Acceptable Use policies and signoffs are required
- Follow-the Sun SecureID – Contractor is provided with VPN software and a SOM technical resource coordinates with the DTMB Client Service Center to provide secure ID code access to specific State of Michigan resources. Appropriate Acceptable Use Policies and signoffs are required.

### **A. Portable Computer Devices**

Any entrusted confidential information collected or accessed during this Contract must be encrypted when stored on all storage devices and media. This includes, but not limited to, disk drives for servers and workstations, and portable memory media (PDAs, RAM drives, memory sticks, etc.).

### **VI. Record Keeping Requirements for Information Received**

Each Contractor, requesting and receiving information will keep an accurate accounting of the information received. The audit trail will be required which will include the following information:

- a. Taxpayer's name
- b. Identification number
- c. Information requested
- d. Purpose of disclosure request
- e. Date information received
- f. Name of Division and employee making request
- g. Name of other employees who may have had access
- h. Date destroyed
- i. Method of destruction

The Contractor will adopt and implement formal procedures to:

- Ensure proper handling of tax returns and tax return information;
- Secure and safeguard information from unauthorized use; and
- Ensure appropriate destruction of information and materials retrieved from Treasury.

### **Electronic Media**

Contractor will keep an inventory of magnetic and electronic media received under the Contract.

Contractor must ensure that the removal of tapes and disks and paper documents containing Michigan tax return information from any storage area is properly recorded on charge-out records. Contractor is accountable for missing tapes, disks, and paper documents.

### **A. Recordkeeping Requirements of Disclosure Made to State Auditors**

When disclosures are made by Contractor to State Auditors, these requirements pertain only in instances where the Auditor General's staff extracts Michigan tax returns or tax information for further review and inclusion in their work papers. Contractor must identify the hard copies of tax records or if the tax information is provided by magnetic tape format or through other electronic means, the identification will contain the approximate number of taxpayer's records, the date of inspection, the best possible description of the records and the name of the Auditor(s) making the inspection.

The Disclosure Officer must be notified, in writing, of any audits done by auditors, internal or otherwise, of Contractor that would involve review of Treasury processing parameters.

#### VII. Contract Services

To the extent the Contractor employs an independent agency, consultant, or agent to process confidential information which includes Michigan tax return information; the Contractor will notify the Treasury Disclosure Officer before the execution of any such agreement. Each agreement will include in the agreement the following recommended safeguard provisions:

- A. The identification of confidential tax records and defining security controls are intended to protect Treasury tax return information from unlawful disclosure, modification, destruction of information and unauthorized secondary uses.
- B. Definition of Treasury Tax Return Information as defined in Revenue Administrative Bulletin (RAB) 1989-39:

Taxpayer's identity, address, the source or amount of his/her income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, over assessments, or tax payments whether the taxpayer's return was, is being or will be examined or subject to their investigation or processing, or any other data, received by, recorded by, prepared by, furnished to or collected by the agency with respect to a return or with respect to the determination of the existence, or liability (or the amount thereof) of any person under the tax laws administered by the Department, or related statutes of the state for any tax, penalty, interest, fine, forfeiture, or other imposition or offense. The term "tax return information" also includes any and all account numbers assigned for identification purposes
- C. An acknowledgment that a taxpayer has filed a return is known as a "fact of filing" and may not be disclosed. All tax return data made available in any format will be used only for the purpose of carrying out the provisions of the Contract between Contractor and the sub-contractor. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of the Contract between Contractor and the subcontractor. In addition, all related output will be given the same level of protection as required for the source material.
- ~~D.~~ The subcontractor will certify that the data processed during the performance of the Contract between Contractor and the subcontractor will be completely purged from all data storage components of the subcontractor's computer facility, and no output will be retained by the subcontractor at the time the work is completed.
- E. Destruction of tax data, including any spoilage or any intermediate hard copy printout which may result during the processing of Michigan tax return information, will be documented with a statement containing the date of destruction, description of material destroyed, and the method used. Destruction parameters must meet the standards of Section IX, Disposal of Tax Information, of this agreement.
- F. Computer system security and physical security of tax data stored and processed by the subcontractor must be in compliance with security guidelines and standards established by this contract. See section VI (Record Keeping Requirements for Information Received in Paper Format) for more details.
- G. The Contractor will be responsible for maintaining a list of employees authorized to access Michigan tax return information and will provide a copy of such list to Treasury.
- H. No work involving information furnished under the contract will be subcontracted without the specific approval of Treasury. Contractor and approved subcontractors handling Michigan tax return information will be required to sign the *Vendor, Contractor or Subcontractor Confidentiality Agreement* provided by Treasury, (Form 3337, see Attachment A). The original agreements will be returned to the Disclosure Officer for the Department of Treasury and a copy sent to the Contract Compliance Inspector.

#### VIII. Transport of Tax Information

In the event, it is necessary to transport confidential tax return information the Contractor is responsible for holding the carrier responsible for safeguarding the records. The Contractor must obtain a signed *Vendor, Contractor or Subcontractor Confidentiality Agreement* (Form 3337, see Attachment A) for each carrier employee who has access to Michigan tax return information. The original agreements will be returned to the Department of Treasury, Disclosure Officer and a copy sent to the Contract Compliance Inspector.



If it is necessary to transfer records and responsibility for transport to a third carrier due to a mishap during transportation, the Contractor is responsible for ensuring safeguard standards remain enforce. This type of incident will be documented in accordance with the incident reporting guidelines in procedure PT-03253, "Incident Reporting and Handling".

Any such incidents must be reported to the Contract Administrator immediately.

#### IX. Disposal of Tax Information

Materials furnished to Contractor, such as tax returns, remittance vouchers, W-2 reports, correspondence, computer printouts, carbon paper, notes, memorandums and work papers will be destroyed by burning, mulching, pulverizing or shredding. If shredded, destroy paper using cross cut shredders which produce particles that are 1 mm x 5mm (0.04in x 0.2 in.) in size (or smaller).

Data tracks should be overwritten or reformatted a minimum of three times or running a magnetic strip over entire area of disk at least three (3) times to remove or destroy data on the disk media—Electronic data residing on any computer systems must be purged based on Treasury's retention schedule.

Contractor and its subcontractor(s) will retain all confidential tax information received by Treasury only for the period of time required for any processing relating to the official duties and then will destroy the records. Any confidential tax information that must be kept to meet evidentiary requirements must be kept in a secured, locked area and properly labeled as confidential return information. See Procedure for Security (Section III of this agreement) for more details.

#### X. Security Responsibility

Contractor will designate a security person who will ensure that each individual having access to confidential tax information or to any system which processes Michigan tax return information is appropriately screened, trained and executes a *Vendor, Contractor or Subcontractor Confidentiality Agreement* (Form 3337, see Attachment A) before gaining access or transaction rights to any process and computer system containing Treasury tax return information.

Each Contractor or their subcontractor(s) employees' access and transaction rights will be reviewed periodically to ensure that there is a need to know Treasury tax return information displayed in any media.

Michigan tax return information will be made available only to individuals authorized by the Contract. Contractor will maintain a list of persons authorized to request and receive information and will update the list as necessary. A copy of the list must be furnished to the Michigan Department of Treasury Disclosure Officer and Contract Compliance Inspector.

#### XI. Security Breach Notification

The Contractor is required to report to Treasury, on Form 4000, Incident Reporting (Attachment B) any use or disclosure of confidential information, whether suspected or actual, **immediately** after becoming aware of the misuse or disclosure. The Contractor may substitute its internal form for Form 4000 if all pertinent information is included.

The Contractor agrees to immediately contain the breach if it is determined ongoing.

Treasury has the right to terminate the Contract when a breach has occurred, and the Contractor cannot demonstrate proper safeguards were in place to avert a breach. Treasury must approve Contractor's resolution to the breach.

#### XII. Certification of Compliance

The Contractor will fully protect State Tax Information (STI) entrusted to them. Each Contractor or subcontractor who will have access to STI must read and sign a confidentiality agreement. This contract requires that all information obtained from the Michigan Department of Treasury under the Revenue Act, PA 122 of 1941, MCL 205.28 (1)(f) be kept confidential. In the event of a security breach involving STI in the possession of the Contractor, the Contractor agrees to provide full cooperation to conduct a thorough security review. The review will validate compliancy with the Contract, and state laws and regulations.

If, as a result of the Contractor's failure to perform as agreed, the State is challenged by a governmental authority or third party as to its conformity to or compliance with State, Federal and local statutes, regulations, ordinances or instructions; the Contractor will be liable for the cost associated with loss of conformity or compliance.

The Contractor understands the cost reflects violation fines identified by the Michigan Social Security Number Privacy Act, 454 of 2004 and the Michigan Identity Theft Protection Act, Act 452 of 2004 as amended.

XIII. Effective Date

- III. These Safeguard requirements will be reviewed whenever the Contract modifications include specifications or processes that affect tax data. INSPECTION

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



SCHEDULE F - DISASTER RECOVERY PLAN  
(Contractor's Disaster Recovery Plan is to be included as an attachment)

SCHEDULE G – Transition In and Out

## SCHEDULE H - HARDWARE

1. **Definitions.** All initial capitalized terms in this Schedule that are not defined herein shall have the respective meanings given to them in the Contract. For the purposes of this Schedule, the following term has the following meaning:

a. **“Hardware”** means all hardware required to be supplied by Contractor, including but not limited to all \_\_\_\_\_ (describe the hardware here) \_\_\_\_\_ and accessories, and IT system hardware.

2. **Hardware.** Contractor must provide fully functioning Hardware that fully integrates with the Software.

3. **Delivery.** Contractor must deliver the Hardware to the locations designated by the State by the delivery date specified in the Statement of Work. Five days prior to the actual delivery date, Contractor must give written notice to the State specifying the precise delivery date and time. Contractor must pay all costs associated with replacing any item damaged in transit to the final destination. Contractor acknowledges that no item will be considered delivered on the delivery date if it is damaged or otherwise not ready for the State to begin its acceptance procedures. Contractor must, at a minimum, package the Hardware according to industry standards and include a packing slip with each shipment. Contractor must also arrange for any rigging and drayage necessary to deliver the Hardware. All costs associated with packaging, shipping, transportation, delivery and insurance are to be borne by Contractor.

4. **Installation, Integration and Configuration.**

a. Contractor must unpack, assemble, install, integrate, interconnect, and configure all the Hardware at the locations specified in the Statement of Work. Where necessary to complete installation, Contractor must provide all required moving and installation resources, including but not limited to personnel, packing material, and floor protection panels as necessary. After completing installation, Contractor must provide the State with written notification that the Hardware is ready for use.

b. Contractor must supply all materials required to complete the assembly, installation, integration, interconnection, and configuration of the Hardware at the locations specified in the Statement of Work so that they are ready for use and acceptance, including providing and setting up all required connections to the power supply and any other necessary cables and any other accessories or supplies.

c. Contractor must leave all work areas clean once installation is complete, which includes removing and disposing of all packing materials.

d. Unless otherwise provided for in the Pricing Schedule, all costs associated with the installation services described in this Section are to be borne by Contractor.

5. **Documentation.** Contractor must provide to the State all end-user documentation for the Hardware. The documentation, at a minimum, must include all the documentation available to consumers from the manufacturer of the Hardware about the technical specifications of the Hardware, installation requirements, and operating instructions, as well as details about the software programs with which the Hardware functions.

6. **Acceptance.** The section applies generally to the acceptance of Hardware but is subject to the more specific testing and acceptance, if any, in the Statement of Work if the Hardware being tested is part of the testing process involving Software.

a. The Hardware is subject to inspection and acceptance by the State. As part of its acceptance process, the State may test any function of the Hardware to determine whether they meet the requirements set forth in the Statement of Work. If the Hardware does not meet the requirements set forth in the Statement of Work, the State may reject the Hardware or require that they be corrected at Contractor's sole cost and expense before accepting them.

b. Acceptance by the State does not relieve Contractor of its responsibility for defects in the Hardware or other failures to meet the requirements of the Statement of Work or of its support and maintenance obligations.

c. Unless otherwise specified in the Statement of Work, the procedure for acceptance will be as stated in the Contract for non-Software deliverables.

**7. Support and Warranty for Hardware.**

a. Contractor will provide maintenance and support of the Hardware in accordance with the requirements set forth in the Service Level Agreement.

b. Contractor will provide and assign or otherwise transfer to the State or its designee and manufacturer's warranties regarding all Hardware or as otherwise provided for in the Contract.

**8. Hardware Further Representations and Warranties.** Contractor represents and warrants that:

a. all Hardware is delivered free from any security interest, lien, or encumbrance and will continue in that respect;

b. the Hardware will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party;

**9. Risk of Loss and Title.** Until final acceptance, title and risk of loss or damage to Hardware remains with Contractor. Contractor is responsible for filing, processing, and collecting all damage claims. The State will record and report to Contractor any evidence of visible damage. If the State rejects the Hardware, Contractor must remove them from the premises within 10 calendar days after notification of rejection. The risk of loss of rejected or non-conforming Hardware remains with Contractor. Rejected Hardware not removed by Contractor within 10 calendar days will be deemed abandoned by Contractor, and the State will have the right to dispose of it as its own property. Contractor must reimburse the State for costs and expenses incurred in storing or effecting removal or disposition of rejected Hardware. Title passes to the State upon final acceptance of the Hardware.

## SCHEDULE I - 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. If any provision below conflicts with the State's terms and conditions, including any attachments, schedules, or exhibits to the State's 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. Hyperlinks are provided for convenience only; broken hyperlinks will not relieve Contractor from compliance with the law.

### 1. Equal Employment Opportunity

If this Contract is a "**federally assisted construction contract**" as defined in [41 CFR Part 60-1.3](#), and except as otherwise may be provided under [41 CFR Part 60](#), then during performance of this Contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) The Contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Contractor's legal duty to furnish information.

(4) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) The Contractor will comply with all provisions of [Executive Order 11246](#) of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The Contractor will furnish all information and reports required by [Executive Order 11246](#) of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in [Executive Order 11246](#) of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in [Executive Order 11246](#) of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The Contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of [Executive Order 11246](#) of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: *Provided*, that if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

## 2. Davis-Bacon Act (Prevailing Wage)

If this Contract is a **prime construction contracts** in excess of \$2,000, the Contractor (and its Subcontractors) must comply with the Davis-Bacon Act ([40 USC 3141-3148](#)) as supplemented by Department of Labor regulations ([29 CFR Part 5](#), "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"), and during performance of this Contract the Contractor agrees as follows:

- (1) All transactions regarding this contract shall be done in compliance with the Davis-Bacon Act (40 U.S.C. 3141- 3144, and 3146-3148) and the requirements of 29 C.F.R. pt. 5 as may be applicable. The contractor shall comply with 40 U.S.C. 3141-3144, and 3146-3148 and the requirements of 29 C.F.R. pt. 5 as applicable.
- (2) Contractors are required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor.
- (3) Additionally, contractors are required to pay wages not less than once a week.

## 3. Copeland "Anti-Kickback" Act

If this Contract is a contract for construction or repair work in excess of \$2,000 where the Davis-Bacon Act applies, the Contractor must comply with the Copeland "Anti-Kickback" Act ([40 USC 3145](#)), as supplemented by Department of Labor regulations ([29 CFR Part 3](#), "Contractors and Subcontractors on Public Building or Public Work Financed in

Whole or in Part by Loans or Grants from the United States”), which prohibits the Contractor and subrecipients from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled, and during performance of this Contract the Contractor agrees as follows:

- (1) Contractor. The Contractor shall comply with 18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. pt. 3 as may be applicable, which are incorporated by reference into this contract.
- (2) Subcontracts. The Contractor or Subcontractor shall insert in any subcontracts the clause above and such other clauses as FEMA or the applicable federal awarding agency may by appropriate instructions require, and also a clause requiring the Subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.
- (3) Breach. A breach of the contract clauses above may be grounds for termination of the contract, and for debarment as a Contractor and Subcontractor as provided in 29 C.F.R. § 5.12.

#### **4. Contract Work Hours and Safety Standards Act**

If 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 workweek 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. Rights to Inventions Made Under a Contract or Agreement

If the 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.

## 6. 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:

### Clean Air Act

1. 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.
2. 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.
3. 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.

### Federal Water Pollution Control Act

- (1) 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.
- (2) 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.
- (3) 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.

## 7. 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. pt. 180 and 2 C.F.R. pt. 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. pt. 180, subpart C and 2 C.F.R. pt. 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. pt. 180, subpart C and 2 C.F.R. pt. 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. pt. 180, subpart C and 2 C.F.R. pt. 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.

#### **8. Byrd Anti-Lobbying Amendment**

Contractors who apply or bid for an award of **\$100,000 or more** shall file the required certification in Exhibit 1 – Byrd Anti-Lobbying Certification below. Each tier certifies to the tier above that it will not and has not used Federal 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 awarding agency.

#### **9. Procurement of Recovered Materials**

Under [2 CFR 200.322](#), 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—
  - a. Competitively within a timeframe providing for compliance with the contract performance schedule;
  - b. Meeting contract performance requirements; or
  - c. 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.

#### **10. Additional FEMA Contract Provisions.**

The following provisions apply to purchases that will be paid for in whole or in part with funds obtained from the Federal Emergency Management Agency (FEMA):

- (1) Access to Records. The following access to records requirements apply to this contract:
  - a. The Contractor agrees to provide the State, the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions.

- b. The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
- c. The Contractor agrees to provide the FEMA Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.
- d. In compliance with the Disaster Recovery Act of 2018, the State and the Contractor acknowledge and agree that no language in this contract is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.

(2) Changes.

See the provisions regarding modifications or change notice in the Contract Terms.

(3) DHS Seal, Logo, And Flags.

The Contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.

(4) Compliance with Federal Law, Regulations, and Executive Orders.

This is an acknowledgement that FEMA financial assistance will be used to fund all or a portion of the contract. The Contractor will comply with all applicable Federal law, regulations, executive orders, FEMA policies, procedures, and directives.

(5) No Obligation by Federal Government.

The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the State, Contractor, or any other party pertaining to any matter resulting from the Contract.”

(6) Program Fraud and False or Fraudulent Statements or Related Acts.

The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor’s actions pertaining to this contract.

Schedule I, Attachment 1 - 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. Code. 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, \_\_\_\_\_ 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