



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

**CONTRACT CHANGE NOTICE**

Change Notice Number **18**  
 to  
 Contract Number **071B3200088**

<b>CONTRACTOR</b>	INTERNATIONAL CONSULTING ACQUISITION CORP
	4807 Spicewood Springs Rd , Bldg. #2 Suite 105
	Austin, TX 78759
	Kirk Teal
	512-231-9212
	kirk.teal@isg-one.com
	CV0008631

<b>STATE</b>	<b>Program Manager</b>	Mary Beth Boucher	MULTI
		517-230-9810	
	BoucherM1@michigan.gov		
	<b>Contract Administrator</b>	Garrick Paraskevin	DTMB
(517) 284-6993			
paraskeving@michigan.gov			

**CONTRACT SUMMARY**

**MAINTENANCE MODERNIZATION CONULTANT**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
March 28, 2013	March 31, 2016	5 - 1 Year	December 31, 2019
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	12 months	<input type="checkbox"/>		December 31, 2020
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$11,423,710.00	\$147,800.00	\$11,571,510.00		

**DESCRIPTION**

Effective with mutual signature the contract is amended to add additional operational funding for DHHS (\$132,800.00) and MDE (\$15,000) and exercise a one year option to 12/31/2020. All other terms and conditions remain the same. [see attached SOW]

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



**CONTRACT CHANGE NOTICE**

Change Notice Number 17  
 to  
 Contract Number 071B3200088

<b>CONTRACTOR</b>	INTERNATIONAL CONSULTING ACQUISITION CORP
	4807 Spicewood Springs Rd , Bldg. #2 Suite 105
	Austin, TX 78759
	Kirk Teal
	512-231-9212
	kirk.teal@isg-one.com
	CV0008631

<b>STATE</b>	Program Manager	Lisa Evani	MULTI
		517-284-7586	
	evanil@michigan.gov		
	Contract Administrator	Garrick Paraskevin	DTMB
(517) 284-6993			
paraskeving@michigan.gov			

**CONTRACT SUMMARY**

**MAINTENANCE MODERNIZATION CONULTANT**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
March 28, 2013	March 31, 2016	5 - 1 Year	December 31, 2019
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		December 31, 2019
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$11,423,710.00	\$0.00	\$11,423,710.00		

**DESCRIPTION**

Effective 8/1/2019, the parties agree to reduce resource hourly rates per the attached Revised Resources Rate Table. Further, on future projects if the State commits to a 1,000-hour or larger engagement, Contractor will work the first week at no cost to the State. All other terms, conditions, specifications, and pricing remain the same. Per contractor, agency agreement and DTMB Procurement approval.

**Revised Resources Rate Table**  
**Effective 8/1/2019 Going Forward**

<b>Role</b>	<b>Firm Fixed Hourly Rate (\$)</b>
Engagement Partner	215
Project Manager	215
ERP Consultant	200
Technical Staff / Developer / Analyst	200
ERP Analyst	200
ERP Trainer	200
ERP Specialist	150

**STATE OF MICHIGAN  
CENTRAL PROCUREMENT SERVICES**

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



**CONTRACT CHANGE NOTICE**

Change Notice Number **16**

to

Contract Number **071B3200088**

<b>CONTRACTOR</b>	INTERNATIONAL CONSULTING ACQUISITION CORP
	4807 Spicewood Springs Rd , Bldg. #2 Suite 105
	Austin, TX 78759
	Kirk Teal
	512-231-9212
	kirk.teal@isg-one.com
	CV0008631

<b>STATE</b>	<b>Program Manager</b>	Lisa Evani	MULTI
		517-284-7586	
		evanil@michigan.gov	
	<b>Contract Administrator</b>	Garrick Paraskevin	DTMB
		(517) 284-6993	
		paraskeving@michigan.gov	

**CONTRACT SUMMARY**

**MAINTENANCE MODERNIZATION CONSULTANT**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
March 28, 2013	March 31, 2016	5 - 1 Year	December 31, 2019
PAYMENT TERMS		DELIVERY TIMEFRAME	
<b>ALTERNATE PAYMENT OPTIONS</b> <input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other		<b>EXTENDED PURCHASING</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		December 31, 2019
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$11,423,710.00	\$266,820.00	\$11,690,530.00		

**DESCRIPTION**

Effective 8/13/2019, this Contract is increased by \$266,820.00 to extend the services of two (2) contracted resources working on the MDHHS SIGMA Post Implementation Stabilization & Optimization Project (PISOP).

Willow Laurel from 6/3/2019-12/31/2019 (\$229,320.00)

John Natteford from 5/1/2019-7/1/2019 (\$37,500.00)

All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Procurement approval, and State Administrative Board approval on 8/13/2019.

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



**CONTRACT CHANGE NOTICE**

Change Notice Number **15**  
 to  
 Contract Number **071B3200088**

<b>CONTRACTOR</b>	INTERNATIONAL CONSULTING ACQUISITION CORP
	4807 Spicewood Springs Rd , Bldg. #2 Suite 105
	Austin, TX 78759
	Kirk Teal
	512-231-9212
	kirk.teal@isg-one.com
	CV0008631

<b>Program Manager</b>	Lisa Evani	MULTI
	517-284-7586	
	evanil@michigan.gov	
<b>Contract Administrator</b>	Garrick Paraskevin	DTMB
	(517) 284-6993	
	paraskeving@michigan.gov	

**CONTRACT SUMMARY**

**MAINTENANCE MODERNIZATION CONULTANT**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
March 28, 2013	March 31, 2016	5 - 1 Year	December 31, 2019

PAYMENT TERMS	DELIVERY TIMEFRAME

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

**MINIMUM DELIVERY REQUIREMENTS**

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**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$11,423,710.00	\$10,000.00	\$11,433,710.00		

**DESCRIPTION**

Effective 5/23/2019, this Contract is increased by \$10,000.00 as well as utilizing \$11,000.00 in funds remaining from Change Notice #9 for a total of \$21,000.00 to perform the services detailed in the attached Statement of Work by Contractor resource John Natteford.

All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Procurement approval.



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

<b>Project Title:</b> Consultant: John Natteford	<b>Period of Coverage:</b> 04/15/2018- 12/31/2019
<b>Requesting Department:</b> Michigan Department of Education (MDE)	<b>Date:</b> 05/24/2019
<b>MDOT Requestor:</b> Ruth Thole / Rose Zuker	<b>Phone:</b> 517-373-3823

This is a Statement of Work (SOW) to the International Consulting Acquisition Corporation Contract Number 071B3200088 dated April 01, 2013, subject to the terms and conditions thereof.

**BACKGROUND**

This is a request for MDE to utilize staff augmentation services as provided under MA 071B3200088 between International Consulting Acquisition Corporation and the State of Michigan.

**DELIVERABLES**

MDE is seeking services from the Contractor's ERP Consultant, John Natteford, to continue work with creating/modifying Business Intelligence reports to meet MDE's specific needs. The customized reports will be more useful for MDE's Office of Financial Management (OFM) in monitoring financial and payroll activity.

**TERM**

Services for Mr. Natteford are needed between April 15, 2019 through December 31, 2019. He will work for a total of 140 hours.

**PRICING**

Per Contract specifications, pricing for Mr. Natteford is for Option Period 3, Fixed Hourly Rate of \$150.00 per hour. The total estimated amount is \$21,000.00.



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

**CONTRACT CHANGE NOTICE**

Change Notice Number **14**

to

Contract Number **071B3200088**

<b>CONTRACTOR</b>	INTERNATIONAL CONSULTING ACQUISITION CORP
	4807 Spicewood Springs Rd , Bldg. #2 Suite 105
	Austin, TX 78759
	Kirk Teal
	512-231-9212
	kirk.teal@isg-one.com
	CV0008631

<b>STATE</b>	<b>Program Manager</b>	Lisa Evani	MULTI
		517-284-7586	
		evanil@michigan.gov	
	<b>Contract Administrator</b>	Garrick Paraskevin	DTMB
		(517) 284-6993	
		paraskeving@michigan.gov	

**CONTRACT SUMMARY**

**MAINTENANCE MODERNIZATION CONSULTANT**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
March 28, 2013	March 31, 2016	5 - 1 Year	December 31, 2019
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input checked="" type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$11,423,710.00	\$208,800.00	\$11,632,510.00		

**DESCRIPTION**

Effective 3/1/2019, this contract is hereby increased by \$208,800.00 for general implementation support services in the form of Subject Matter Experts that will be assigned primarily to support the Department of Health and Human Services (DHHS) implementation effort.

Dates of Service: 1/1/19-5/30/19 (Willo Laurel) and 12/18/18-3/31/19 (John Natteford)

One (1) Subject Matter Expert (Willo Laurel) at \$32,760.00 per month for 5 months. Total amount of \$163,800.

One (1) Consultant (John Natteford) at \$150.00 per hour for 300 hours. Total amount of \$45,000.00.

All other terms, conditions, specifications, and pricing remain the same. Per contractor, agency and DTMB procurement.



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

**for**

**SIGMA Project Additional Implementation and Support Services**

**STATEMENT OF WORK for Contract Change Notice No. 014**

This Statement of Work for Contract Change Notice No. 014 (“Statement of Work”) is entered into by the Department of Technology, Management and Budget (“DTMB” or “State”) and ISG. (“Contractor” or “Vendor”) under the terms of the Implementation Services Agreement (Contract #071B3200088) (“Agreement”), dated June 25, 2014, between DTMB and Contractor in accordance with Section 2.005 of the Agreement and Attachment 4 to the Agreement.

**Project Title:**

Additional ERP Implementation and Support Services

**Period of Performance:**

12/18/18 – 03/31/2019

**DTMB Business Relationship Manager:**

Susan Nordyke

NordykeS@michigan.gov

(517) 373-9784

**Agency Project Manager:**

Suzanne Kyes

KyesS@michigan.gov

(517) 284-9433

**1. OVERVIEW AND BACKGROUND**

Additional general implementation support services are being requested in the form of Subject Matter Experts that will be assigned primarily to support the Department of Health and Human Services (DHHS) implementation effort.

**2. OBJECTIVES OF STATEMENT OF WORK**

Extend one (1) Subject Matter Expert using the monthly rate identified in Section 6 of this Statement of Work.

**3. SCOPE OF WORK**

Contractor will perform the task and other services specified in this Section 3 (“Services”) on a monthly billing basis at the rates specified in Section 6 of this Statement of Work. The schedule for performance of the Services is specified in Section 4. Contractor is not responsible for the completion of Deliverables under this Statement of Work.



The Subject Matter Expert will be expected to assist in MDHHS Cost Allocation (CA) readiness and execution activities including, but not limited to, the following:

1. Analyze and provide recommendations to improve the CA process through data collection and reporting
2. Analyze and provide a list of CA validation checks located in the CAVR tool
3. Assist CA quality control efforts with the acquired CA validation checks from the CAVR Tool
4. Assist in the development of reports that compares to SIGMA CA results period over period and year over year
5. Compare allocated costs and statistics quarter over quarter and year over year
6. Analyze and recommend automation of Task Order / Sub Unit between expenditures, coding, configuration, and the PACAP narrative to ensure proper alignment
7. Enhance the Cost Allocation Projection process to include the "Direct Expense" allocation method.
8. Assist in the automation of the RMTS manual processes

#### 4. PROJECT SCHEDULE

The schedule for performance of the Services is specified in the Integration Master Schedule (IMS), Agency Implementation Plan, and Agency Technical Schedule. The high-level project schedule dates are included below.

Key Date	Date
Resource Start Date	12/18/2018
Cost Allocation Supporting Activities	
1. Analyze and Document scope items	03/31/2019
2. Provide Recommendations	03/31/2019
3. Execute and Release Recommendations	03/31/2019
4. Provide Documentation	03/31/2019

#### 5. PROJECT STAFFING

Contractor will provide the individual resources/roles specified in this Section 5 for performance of the Services.

The State is requesting one (1) Subject Matter Expert resource.

#### 6. COMPENSATION AND PAYMENT

This Section 6 specifies the monthly billing rates applicable to the performance of the Services. The specified monthly billing rates are based on the communication between the ISG Contractor (Kirk Teal) and the SIGMA DTMB Deputy Director (Lisa Evani).

Resource Cost Description	Costs
One (1) Subject Matter Expert at \$150.00 / hour for 300 hours over 3.5 months.	\$45,000.00

Except as otherwise provided in this Section 6, the terms and conditions of Section 2.040 (Financial Provisions) of the Agreement applicable to services performed on a time and materials basis shall apply to compensation and payment for the Services under this Statement of Work.

**7. OTHER TERMS AND CONDITIONS**

None



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

**for**

**SIGMA Project Additional Implementation and Support Services**

**STATEMENT OF WORK for Contract Change Notice No. 014**

This Statement of Work for Contract Change Notice No. 014 (“Statement of Work”) is entered into by the Department of Technology, Management and Budget (“DTMB” or “State”) and ISG. (“Contractor” or “Vendor”) under the terms of the Implementation Services Agreement (Contract #071B3200088) (“Agreement”), dated June 25, 2014, between DTMB and Contractor in accordance with Section 2.005 of the Agreement and Attachment 4 to the Agreement.

**Project Title:**

Additional ERP Implementation and Support Services

**Period of Performance:**

01/01/2019 – 05/31/2019

**DTMB Business Relationship Manager:**

Susan Nordyke

NordykeS@michigan.gov

(517) 373-9784

**Agency Project Manager:**

Robin Keene

KeeneR1@michigan.gov

(517) 284-9367

**1. OVERVIEW AND BACKGROUND**

Additional general implementation support services are being requested in the form of Subject Matter Experts that will be assigned primarily to support the Department of Health and Human Services (DHHS) implementation effort.

**2. OBJECTIVES OF STATEMENT OF WORK**

Extend one (1) Subject Matter Expert using the monthly rate identified in Section 6 of this Statement of Work.

**3. SCOPE OF WORK**

Contractor will perform the task and other services specified in this Section 3 (“Services”) on a monthly billing basis at the rates specified in Section 6 of this Statement of Work. The schedule for performance of the Services is specified in Section 4. Contractor is not responsible for the completion of Deliverables under this Statement of Work.

The Subject Matter Expert will be expected to assist in DHHS readiness activities including, but not limited to, the following:

1. Review, identify, and recommend policy modifications
2. Review, recommend, update, and document procedure changes
3. Review, recommend, update, and document agency specific desk guides and reference material
4. Support DHHS Change Management Efforts and Change Management Lead(s), provide communication recommendations and advice to help MDHHS employees make a successful transition to the new system
5. Provide support including assistance in ensuring SIGMA core system defects are resolved and re-tested
6. Provide general post production support services

#### 4. PROJECT SCHEDULE

The schedule for performance of the Services is specified in the Integration Master Schedule (IMS), Agency Implementation Plan, and Agency Technical Schedule. The high-level project schedule dates are included below.

Key Date	Date
Resource Extension Date Start	01/01/2019
Phase 1.5 and 2 Supporting Activities	
1. Inventory Analysis and Pilot Testing Activities	05/31/2019
2. Grants Given Analysis and Pilot Testing Activities	05/31/2019
3. Help Desk Issue Resolution (including SIGMA Remedy	05/31/2019
4. Assisting Federal Reporting staff with issues and corrections	05/31/2019
5. Assisting Revenue and Budget staff with issues and corrections	05/31/2019

#### 5. PROJECT STAFFING

Contractor will provide the individual resources/roles specified in this Section 5 for performance of the Services.

The State is requesting one (1) Subject Matter Expert resource.

#### 6. COMPENSATION AND PAYMENT

This Section 6 specifies the monthly billing rates applicable to the performance of the Services. The specified monthly billing rates are based on the communication between the ISG Contractor (Kirk Teal) and the SIGMA DTMB Deputy Director (Lisa Evani).

Resource Cost Description	Costs
One (1) Subject Matter Expert at \$32,760 / month for 5 months.	\$163,800.00

Except as otherwise provided in this Section 6, the terms and conditions of Section 2.040 (Financial Provisions) of the Agreement applicable to services performed on a time and materials basis shall apply to compensation and payment for the Services under this Statement of Work.

**7. OTHER TERMS AND CONDITIONS**

None



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

**CONTRACT CHANGE NOTICE**

Change Notice Number **13**

to

Contract Number **071B3200088**

<b>CONTRACTOR</b>	INTERNATIONAL CONSULTING ACQUISITION CORP
	4807 Spicewood Springs Rd , Bldg. #2 Suite 105
	Austin, TX 78759
	Kirk Teal
	512-231-9212
	kirk.teal@isg-one.com
	CV0008631

<b>STATE</b>	<b>Program Manager</b>	Lisa Evani	MULTI
		517-284-7586	
		evanil@michigan.gov	
	<b>Contract Administrator</b>	Garrick Paraskevin	DTMB
		(517) 284-6993	
		paraskeving@michigan.gov	

**CONTRACT SUMMARY**

**MAINTENANCE MODERNIZATION CONULTANT**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
March 28, 2013	March 31, 2016	5 - 1 Year	December 31, 2019
PAYMENT TERMS		DELIVERY TIMEFRAME	
<b>ALTERNATE PAYMENT OPTIONS</b> <input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input checked="" type="checkbox"/> Other		<b>EXTENDED PURCHASING</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$11,423,710.00	\$37,200.00	\$11,460,910.00		

**DESCRIPTION**

Effective 12/21/2018, the parties add \$37,200.00 and the attached Statement of work related to Contractor resource John Natteford. All other terms, conditions, specifications, and pricing remain the same.



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

**for**

**SIGMA Project Additional Implementation and Support Services**

**STATEMENT OF WORK for Contract Change Notice No. 13**

This Statement of Work for Contract Change Notice No. 13 (“Statement of Work”) is entered into by the Department of Technology, Management and Budget (“DTMB” or “State”) and ISG. (“Contractor” or “Vendor”) under the terms of the Implementation Services Agreement (Contract #071B3200088) (“Agreement”), dated June 25, 2014, between DTMB and Contractor in accordance with Section 2.005 of the Agreement and Attachment 4 to the Agreement.

**Project Title:**

Additional ERP Implementation and Support Services

**Period of Performance:**

11/1/18 – 12/17/18

**DTMB Business Relationship Manager:**

Susan Nordyke

NordykeS@michigan.gov

(517) 373-9784

**Agency Project Manager:**

Suzanne Kyes

KyesS@michigan.gov

(517) 284-9433

**1. OVERVIEW AND BACKGROUND**

Additional general implementation support services are being requested in the form of Subject Matter Experts that will be assigned primarily to support the Department of Health and Human Services (DHHS) implementation effort.

**2. OBJECTIVES OF STATEMENT OF WORK**

Extend one (1) Subject Matter Expert using the monthly rate identified in Section 6 of this Statement of Work.

**3. SCOPE OF WORK**

Contractor will perform the task and other services specified in this Section 3 (“Services”) on a monthly billing basis at the rates specified in Section 6 of this Statement of Work. The schedule for performance of the Services is specified in Section 4. Contractor is not responsible for the completion of Deliverables under this Statement of Work.

The Subject Matter Expert will be expected to assist in MDHHS Cost Allocation (CA) readiness and execution activities including, but not limited to, the following:

1. Analyze and provide recommendations to improve the CA process through data collection and reporting
2. Analyze and provide a list of CA validation checks located in the CAVR tool
  - a. Assist CA quality control efforts with the acquired CA validation checks from the CAVR Tool
3. Assist in the development of reports that compares to SIGMA CA results period over period and year over year
  - a. Compare allocated costs and statistics quarter over quarter and year over year
4. Analyze and recommend automation of Task Order / Sub Unit between expenditures, coding, configuration, and the PACAP narrative to ensure proper alignment
5. Assist in the automation of the RMTS manual processes

#### 4. PROJECT SCHEDULE

The schedule for performance of the Services is specified in the Integration Master Schedule (IMS), Agency Implementation Plan, and Agency Technical Schedule. The high-level project schedule dates are included below.

Key Date	Date
Resource Start Date	11/01/2018
Cost Allocation Supporting Activities	
1. Analyze and Document scope items	11/16/2018
2. Provide Recommendations	11/26/2018
3. Execute and Release Recommendations	12/14/2018
4. Provide Documentation	12/17/2018

#### 5. PROJECT STAFFING

Contractor will provide the individual resources/roles specified in this Section 5 for performance of the Services.

The State is requesting one (1) Subject Matter Expert resource.

#### 6. COMPENSATION AND PAYMENT

This Section 6 specifies the monthly billing rates applicable to the performance of the Services. The specified monthly billing rates are based on the communication between the ISG Contractor (Kirk Teal) and the SIGMA DTMB Deputy Director (Lisa Evani).

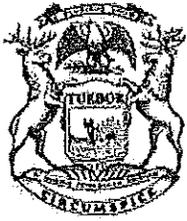
Resource Cost Description	Costs
One (1) Subject Matter Expert at \$150.00 / hour for 248 hours over 1.5 months.	\$37,200.00



Except as otherwise provided in this Section 6, the terms and conditions of Section 2.040 (Financial Provisions) of the Agreement applicable to services performed on a time and materials basis shall apply to compensation and payment for the Services under this Statement of Work.

**7. OTHER TERMS AND CONDITIONS**

None



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

**CONTRACT CHANGE NOTICE**

Change Notice Number **12**  
 to  
 Contract Number **071B3200088**

<b>CONTRACTOR</b>	INTERNATIONAL CONSULTING ACQUISITION CORPORATION	Lisa Evani	MULTI
	4807 Spicewood Springs Rd	517-284-7586	
	Austin, TX 78759	evanil@michigan.gov	
	Kirk Teal	Garrick Paraskevin	DTMB
	512-231-9212	(517) 284-6993	
	kirk.teal@isg-one.com	paraskeving@michigan.gov	
CV0008631			
<b>STATE</b>			

CONTRACT SUMMARY				
<b>MAINT MODERNIZATION CONULTANT</b>				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
March 28, 2013	March 31, 2016	5 - 1 Year	December 31, 2018	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card	<input type="checkbox"/> PRC	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXPIRE DATE
<input checked="" type="checkbox"/>	12 months	<input type="checkbox"/>		December 31, 2019
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$11,282,510.00	\$141,200.00	\$11,423,710.00		
DESCRIPTION				
Effective with mutual signature contract is amended to add a statement of work with additional funding of \$141,200.00 and exercise a one(1) year option to 12/31/2019. All other terms and conditions remain the same.				



**ISG**  
INFORMATION  
SERVICES  
GROUP



**Proposal to State of Michigan  
Department of Technology, Management and  
Budget Procurement**

For Independent Verification and Validation Services

Presented by:

**Information Services Group, Inc.  
Public Sector**

Date: November 7, 2018



**ISG**  
INFORMATION  
SERVICES  
GROUP

November 7, 2018

Ms. Ruth Schwartz  
Project Director  
Department of Technology, Management and Budget  
Victor Building, 7th Floor  
201 North Washington Square  
Lansing, Michigan 48933

Dear Ms. Schwartz:

International Consulting Acquisition Corp. (ICAC), a wholly owned subsidiary of Information Services Group, Inc. (ISG), doing business as ISG Public Sector (formerly STA Consulting), is pleased to submit this proposal to the State of Michigan (herein referred to as the State) Department of Technology, Management and Budget.

During our 18-year history, ISG/STA has participated in statewide ERP engagements for numerous states, excluding the assistance we have provided thus far to the State with its ERP initiative. In addition to the State of Michigan, we have provided ERP advisory services to numerous states including Alaska, Arizona, Mississippi, and West Virginia. Given our statewide ERP experience, we believe that we are uniquely positioned to provide the State with the *best value* for its investment.

Most importantly, we maintain our independence with regard to all software providers and implementation services vendors. Unlike most of our competitors, we are not implementation partners (formal or informal) of ERP software providers, nor do we market any software or hardware products. We are truly independent in fact and appearance.

We look forward to the opportunity to continue to serve the State on this important project. Please let me know if you have any questions or require additional information regarding our proposal. I can be reached at my cell phone, (512) 630-5689, or at my e-mail address, [kirk.teal@isg-one.com](mailto:kirk.teal@isg-one.com).

Sincerely,

Kirk Teal  
Partner

Information Services Group, Inc.  
2187 Atlantic Street  
Stamford, CT 06902

+1 203 517 3100 tel  
[www.isg-one.com](http://www.isg-one.com)



Compass



This proposal is submitted in response to DTMB's request for continued service on the MAIN ERP Replacement Project (SIGMA) project.

## **BACKGROUND**

ISG has provided and is currently providing consulting services for the SIGMA project, and these services are being provided in a series of phases. ISG's work within each phase has been and will continue to be documented and authorized by a Task Order Agreement (TO), which will consist of specific tasks and assignments over a designated timeline. ISG will coordinate all of its work with the State project team.

The initial scope of work under the Contract included the following major deliverables, work products, and tools:

- ERP Strategy Document
- Governance Structure Document
- Business Requirements
- DecisionDirector (DD) Collaboration Tool
- Funding Plan Documentation
- Update Business Case Analysis Documentation
- Evaluation Guide
- Demonstration Scripts
- Request for Proposal

## **SCOPE OF WORK**

As a continuation of ISG's assistance to the State under the Contract to support the SIGMA Project, ISG is currently providing post go-live operational support services under previous task orders (TOs).

The services included in this proposal are in response to the statement of work issued by DTMB.

We propose extending the contract end date so that we can continue to support SIGMA operations under TO No. 12. As with previous TOs, our services will continue to be delivered in accordance with ISG's ERP Implementation Oversight and Quality Assurance Methodology, a portion of which is described below. Note that the full methodology is included in past task orders. This task order provides the description of post go-live services that will be provided under this Statement of Work.

## **Stage 5: Post Go-Live Support**

ISG will support the State's post-implementation support team in resolving problems and in providing support to the user agencies and vendor community (where applicable). ISG will also assist with the effort to stabilize and eventually optimize the new business processes. Lastly, ISG will assist with the evaluation of the quality and sufficiency of the final contract deliverables.

At the State's request, ISG may conduct a post-implementation review to recap project status, recommend action plans for the future, and document lessons learned.

### **Anticipated Stage 5 Deliverables:**

- Monthly Status and Planning reports

## **PROJECT MANAGEMENT AND STAFFING**

ISG will report on the work performed under this task order during regularly scheduled status meetings. ISG will also be available to participate in executive briefings or provide supporting materials for State communications with executives and stakeholders.

Steven Zeeck will continue to serve as ISG's Project Manager and will be responsible for overseeing ISG's performance and compliance with responsibilities under this TO. Melody Hicks will serve as an ERP Consultant and will assist with the delivery of post go-live support and staff augmentation services. Kirk Teal will serve as the Engagement Partner and will oversee the delivery of all ISG services.

## **TERM OF THIS AGREEMENT**

This Task Order Agreement shall be in effect from January 1, 2019 through March 31, 2019, unless extended or amended by mutual agreement of both parties.

## **KEY ASSUMPTIONS**

During every consecutive 12-month period in which an ISG consultant works for the State on a full-time basis, the consultant will be permitted to work off-site for 4 consecutive weeks. ISG will work with the State to identify the best time for the ISG consultant to work off-site. The ISG Project Manager will work with the State ERP Project Director to determine those areas of focus that best serve the State and the needs of the Project.

## COMPENSATION

ISG will provide assistance to the State with the tasks identified in the statement of work via individual monthly releases against a TO. The rate for the services delivered by Melody Hicks is \$200 per hour. The rate for the services delivered by Steven Zeeck is \$210 per hour.

Approximately two (2) weeks prior to the beginning of a month that does not have an approved release for the work to be performed during that month, ISG will submit a Release Document for the upcoming month or quarter to the State Project Director. If the Release Document is accepted by the State, ISG will perform the tasks described in the Release Document. At the end of each month, ISG will: (1) produce a report that provides the status of the tasks described in the Release Document, and (2) submit an invoice to the State for the work performed during that month. The report will include the following items:

- The number of hours delivered during the past month and the cumulative total to date for the project.
- A statement as to whether the remaining hours in the project budget are sufficient to complete the project.
- The projected month and year that the project will exhaust funding.
- Identification of the tasks worked on and what was completed during the current reporting period.
- The amount of funds expended during the current reporting period and the cumulative total to date for the project.

The State will review the status report and, upon acceptance of report, approve the ISG invoice for payment and remit payment within 45 days of invoice receipt. The actual hours worked will vary and will be included in the monthly invoice.

Consulting fees are: (1) inclusive of all travel and out-of-pocket expenses, (2) in accordance with the Contract, and (3) provided by resource.

Should ISG staff be required to travel from Lansing to another location on State business, then the State will consider reimbursing ISG for any travel expenses. Any State-approved travel expenses must be allowable per the State's travel guide.

Role - Name	Firm Fixed Hourly Rate
Consultant - Steven Zeeck	\$ 210
Consultant - Melody Hicks	\$ 200
	Hours
Consultant - Steven Zeeck	520
Consultant - Melody Hicks	160
	Period Estimated Fee
Consultant - Steven Zeeck	\$ 109,200
Consultant - Melody Hicks	\$ 32,000
Estimated Total	\$ 141,200





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

**CONTRACT CHANGE NOTICE**

Change Notice Number 11

to

Contract Number 071B3200088

<b>CONTRACTOR</b>	INTERNATIONAL CONSULTING ACQUISITION CORPORATION
	4807 Spicewood Springs Rd
	Austin, TX 78759
	Kirk Teal
	512-231-9212
	kirk.teal@isg-one.com
	CV0008631

<b>STATE</b>	<b>Program Manager</b>	Lisa Evani	MULTI
		517-284-7586	
		evanil@michigan.gov	
	<b>Contract Administrator</b>	Garrick Paraskevin	DTMB
		(517) 284-6993	
		paraskeving@michigan.gov	

**CONTRACT SUMMARY**

MAINT MODERNIZATION CONSULTANT

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
March 28, 2013	March 31, 2016	5 - 1 Year	December 31, 2018

PAYMENT TERMS	DELIVERY TIMEFRAME

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		December 31, 2018
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$11,282,510.00	\$226,560.00	\$11,509,070.00		

**DESCRIPTION**

Effective 8/2/2018, the parties add \$226,560.00 and the attached Statements of Work related to Contractor resources Willow Laurel and John Natteford from 6/29/2018-12/28/18. All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Procurement approval, and State Administrative Board approval on 7/31/2018.



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

for

**SIGMA Project Additional Implementation and Support Services**

**STATEMENT OF WORK for Contract Change Notice No. 11**

This Statement of Work for Contract Change Notice No. 11 (“Statement of Work”) is entered into by the Department of Technology, Management and Budget (“DTMB” or “State”) and ISG. (“Contractor” or “Vendor”) under the terms of the Implementation Services Agreement (Contract #071B3200088) (“Agreement”), dated June 25, 2014, between DTMB and Contractor in accordance with Section 2.005 of the Agreement and Attachment 4 to the Agreement.

**Project Title:**

Additional ERP Implementation and Support Services

**Period of Performance:**

7/01/2018 – 12/31/2018

**DTMB Business Relationship Manager:**

Susan Nordyke

NordykeS@michigan.gov

(517) 373-9784

**Agency Project Manager:**

Robin Keene

KeeneR1@michigan.gov

(517) 284-9367

**1. OVERVIEW AND BACKGROUND**

Additional general implementation support services are being requested in the form of Subject Matter Experts that will be assigned primarily to support the Department of Health and Human Services (DHHS) implementation effort.

**2. OBJECTIVES OF STATEMENT OF WORK**

Extend one (1) Subject Matter Expert using the monthly rate identified in Section 6 of this Statement of Work.

**3. SCOPE OF WORK**

Contractor will perform the task and other services specified in this Section 3 (“Services”) on a monthly billing basis at the rates specified in Section 6 of this Statement of Work. The schedule for performance of the Services is specified in Section 4. Contractor is not responsible for the completion of Deliverables under this Statement of Work.

The Subject Matter Expert will be expected to assist in DHHS readiness activities including, but not limited to, the following:

1. Review, identify, and recommend policy modifications
2. Review, recommend, update, and document procedure changes
3. Review, recommend, update, and document agency specific desk guides and reference material
4. Support DHHS Change Management Efforts and Change Management Lead(s), provide communication recommendations and advice to help MDHHS employees make a successful transition to the new system
5. Provide support including assistance in ensuring SIGMA core system defects are resolved and re-tested
6. Provide general post production support services

#### 4. PROJECT SCHEDULE

The schedule for performance of the Services is specified in the Integration Master Schedule (IMS), Agency Implementation Plan, and Agency Technical Schedule. The high-level project schedule dates are included below.

Key Date	Date
Resource Extension Date Start	07/01/2018
Phase 1.5 and 2 Supporting Activities	
1. Projects & Grants	12/31/2018
2. Procurement & VSS Functionality	12/31/2018
3. Core Financials	12/31/2018
4. Time, Expense, Leave, and Labor Distribution	12/31/2018
5. Inventory Functionality	12/31/2018
6. MDHHS System Interface files analysis	12/31/2018
7. Budget Preparation	12/31/2018

#### 5. PROJECT STAFFING

Contractor will provide the individual resources/roles specified in this Section 5 for performance of the Services.

The State is requesting one (1) Subject Matter Expert resource.

#### 6. COMPENSATION AND PAYMENT

This Section 6 specifies the monthly billing rates applicable to the performance of the Services. The specified monthly billing rates are based on the communication between the ISG Contractor (Kirk Teal) and the SIGMA DTMB Deputy Director (Lisa Evani).

Resource Cost Description	Costs
One (1) Subject Matter Expert at \$32,760 / month for 6 months.	\$196,560.00

Except as otherwise provided in this Section 6, the terms and conditions of Section 2.040 (Financial Provisions) of the Agreement applicable to services performed on a time and materials basis shall apply to compensation and payment for the Services under this Statement of Work.

**7. OTHER TERMS AND CONDITIONS**

None



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

for

**SIGMA Project Additional Implementation and Support Services**

**STATEMENT OF WORK for Contract Change Notice No. 11**

This Statement of Work for Contract Change Notice No. 11 (“Statement of Work”) is entered into by the Department of Technology, Management and Budget (“DTMB” or “State”) and ISG. (“Contractor” or “Vendor”) under the terms of the Implementation Services Agreement (Contract #071B3200088) (“Agreement”), dated June 25, 2014, between DTMB and Contractor in accordance with Section 2.005 of the Agreement and Attachment 4 to the Agreement.

**Project Title:**

Additional ERP Implementation and Support Services

**Period of Performance:**

7/31/2018 – 10/30/2018

**DTMB Business Relationship Manager:**

Susan Nordyke

NordykeS@michigan.gov

(517) 373-9784

**Agency Project Manager:**

Robin Keene

KeeneR1@michigan.gov

(517) 284-9367

**1. OVERVIEW AND BACKGROUND**

Additional general implementation support services are being requested in the form of Subject Matter Experts that will be assigned primarily to support the Department of Health and Human Services (DHHS) implementation effort.

**2. OBJECTIVES OF STATEMENT OF WORK**

Extend one (1) Subject Matter Expert using the monthly rate identified in Section 6 of this Statement of Work.

**3. SCOPE OF WORK**

Contractor will perform the task and other services specified in this Section 3 (“Services”) on a monthly billing basis at the rates specified in Section 6 of this Statement of Work. The schedule for performance of the Services is specified in Section 4. Contractor is not responsible for the completion of Deliverables under this Statement of Work.

The Subject Matter Expert will be expected to assist in MDHHS Cost Allocation readiness activities including, but not limited to, the following:

- 1) Confirm allocation models that DHHS plans to use
- 2) Design database tables and processing for allocation models
- 3) Design Front End Split projection process
- 4) Code SQL and Visual Basic
- 5) Change quarterly actual expense extraction from using Oracle SQL against Accounting Journal SIGMA internal database table to using Business Intelligence tool against SIGMA warehouse data
- 6) Design and develop user reports and extracts showing results of allocation and front end split processes
- 7) Test allocation process against 1st quarter SIGMA results and compare
- 8) Perform Developer testing on 2nd quarter allocations
- 9) Support end user testing and 2nd quarter allocation projections
- 10) Develop system and operational documentation

#### 4. PROJECT SCHEDULE

The schedule for performance of the Services is specified in the Integration Master Schedule (IMS), Agency Implementation Plan, and Agency Technical Schedule. The high-level project schedule dates are included below.

Key Date	Date
Resource Onboarding Date Start	07/31/2018
Cost Allocation Supporting Activities	
1. Design, Code, and Test	9/30/2018
2. User Acceptance Testing	10/12/2018
3. Release	10/19/2018
4. System Documentation	10/30/2018

#### 5. PROJECT STAFFING

Contractor will provide the individual resources/roles specified in this Section 5 for performance of the Services.

The State is requesting one (1) Subject Matter Expert resource.

#### 6. COMPENSATION AND PAYMENT

This Section 6 specifies the monthly billing rates applicable to the performance of the Services. The specified monthly billing rates are based on the communication between the ISG Contractor (Kirk Teal) and the SIGMA DTMB Deputy Director (Lisa Evani).

Resource Cost Description	Costs
One (1) Subject Matter Expert at \$150.00 / hour for 200.00 hours over 3 months.	\$30,000.00

Except as otherwise provided in this Section 6, the terms and conditions of Section 2.040 (Financial Provisions) of the Agreement applicable to services performed on a time and materials basis shall apply to compensation and payment for the Services under this Statement of Work.

**7. OTHER TERMS AND CONDITIONS**

None



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

**CONTRACT CHANGE NOTICE**

Change Notice Number **10**  
to  
Contract Number **071B3200088**

<b>CONTRACTOR</b>	INTERNATIONAL CONSULTING ACQUISITION CORPORATION
	4807 Spicewood Springs Rd
	Austin, TX 78759
	Kirk Teal
	512-231-9212
	kirk.teal@isg-one.com
	CV0008631

<b>STATE</b>	<b>Program Manager</b>	Lisa Evani	MULTI
		517-284-7586	
	evanil@michigan.gov		
	<b>Contract Administrator</b>	Garrick Paraskevin	DTMB
(517) 284-6993			
paraskeving@michigan.gov			

**CONTRACT SUMMARY**

<b>MAINT MODERNIZATION CONSULTANT</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
March 28, 2013	March 31, 2016	5 - 1 Year	December 31, 2018
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>MINIMUM DELIVERY REQUIREMENTS</b>			

<b>DESCRIPTION OF CHANGE NOTICE</b>				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		December 31, 2018
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$10,992,640.00	\$289,870.00	\$11,282,510.00		

**DESCRIPTION**

Effective 5/21/2018, the parties add \$289,870.00 and the attached Statement of work related to Contractor resource Willow Laurel. All other terms, conditions, specifications, and pricing remain the same.





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

**for**

**SIGMA Project Additional Implementation and Support Services**

**STATEMENT OF WORK for Contract Change Notice No. 007**

This Statement of Work for Contract Change Notice No. 007 (“Statement of Work”) is entered into by the Department of Technology, Management and Budget (“DTMB” or “State”) and ISG. (“Contractor” or “Vendor”) under the terms of the Implementation Services Agreement (Contract #071B3200088) (“Agreement”), dated June 25, 2014, between DTMB and Contractor in accordance with Section 2.005 of the Agreement and Attachment 4 to the Agreement.

**Project Title:**

Additional ERP Implementation and Support Services

**Period of Performance:**

10/02/2017 – 06/29/2018

**DTMB Business Relationship Manager:**

Susan Nordyke

NordykeS@michigan.gov

(517) 373-9784

**Agency Project Manager:**

Shirley Montour

MontourS@michigan.gov

(517) 284-9364

**1. OVERVIEW AND BACKGROUND**

Additional general implementation support services are being requested in the form of Subject Matter Experts that will be assigned primarily to support the Department of Health and Human Services (DHHS) implementation effort.

**2. OBJECTIVES OF STATEMENT OF WORK**

Extend one (1) Subject Matter Expert using the monthly rate identified in Section 6 of this Statement of Work.

**3. SCOPE OF WORK**

Contractor will perform the task and other services specified in this Section 3 (“Services”) on a monthly billing basis at the rates specified in Section 6 of this Statement of Work. The schedule for performance of the Services is specified in Section 4. Contractor is not responsible for the completion of Deliverables under this Statement of Work.

The Subject Matter Expert will be expected to assist in DHHS readiness activities including, but not limited to, the following:

1. Review, identify, and recommend policy modifications
2. Review, recommend, update, and document procedure changes

3. Review, recommend, update, and document agency specific desk guides and reference material
4. Support DHHS Change Management Efforts and Change Management Lead(s), provide communication recommendations and advice to help MDHHS employees make a successful transition to the new system
5. Provide support including assistance in ensuring SIGMA core system defects are resolved and re-tested
6. Provide general post production support services

**4. PROJECT SCHEDULE**

The schedule for performance of the Services is specified in the Integration Master Schedule (IMS), Agency Implementation Plan, and Agency Technical Schedule. The high-level project schedule dates are included below.

Key Date	Date
Resource Extension Date Start	10/02/2017
Phase 1.5 and 2 Supporting Activities	
1. Projects & Grants	06/29/2018
2. Procurement & VSS Functionality	06/29/2018
3. Core Financials	06/29/2018
4. Time, Expense, Leave, and Labor Distribution	06/29/2018
5. Inventory Functionality	06/29/2018
6. MDHHS System Interface files analysis	06/29/2018
7. Budget Preparation	06/29/2018

**5. PROJECT STAFFING**

Contractor will provide the individual resources/roles specified in this Section 5 for performance of the Services.

The State is requesting one (1) Subject Matter Expert resource.

**6. COMPENSATION AND PAYMENT**

This Section 6 specifies the monthly billing rates applicable to the performance of the Services. The specified monthly billing rates are based on the communication between the ISG Contractor (Kirk Teal) and the SIGMA DTMB Deputy Director (Lisa Evani).

Resource Cost Description	Costs
One (1) Subject Matter Expert at \$205.00 / hour for 1,414.00 hours over 9 months.	\$289,870.00

Except as otherwise provided in this Section 6, the terms and conditions of Section 2.040 (Financial Provisions) of the Agreement applicable to services performed on a time and materials basis shall apply to compensation and payment for the Services under this Statement of Work.

**7. OTHER TERMS AND CONDITIONS**

None



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

**CONTRACT CHANGE NOTICE**

Change Notice Number **9**  
to  
Contract Number **071B3200088**

<b>CONTRACTOR</b>	INTERNATIONAL CONSULTING ACQUISITION CORPORATION
	4807 Spicewood Springs Rd
	Austin, TX 78759
	Kirk Teal
	512-231-9212
	kirk.teal@isg-one.com
	CV0008631

<b>STATE</b>	<b>Program Manager</b>	Lisa Evani	MULTI
		517-284-7586	
	evanil@michigan.gov		
	<b>Contract Administrator</b>	Garrick Paraskevin	DTMB
(517) 284-6993			
paraskeving@michigan.gov			

**CONTRACT SUMMARY**

<b>MAINT MODERNIZATION CONSULTANT</b>			
<b>INITIAL EFFECTIVE DATE</b>	<b>INITIAL EXPIRATION DATE</b>	<b>INITIAL AVAILABLE OPTIONS</b>	<b>EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW</b>
March 28, 2013	March 31, 2016	5 - 1 Year	December 31, 2018
<b>PAYMENT TERMS</b>		<b>DELIVERY TIMEFRAME</b>	
<b>ALTERNATE PAYMENT OPTIONS</b>		<b>EXTENDED PURCHASING</b>	
<input type="checkbox"/> P-Card	<input type="checkbox"/> Direct Voucher (DV)	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>MINIMUM DELIVERY REQUIREMENTS</b>			

<b>DESCRIPTION OF CHANGE NOTICE</b>				
<b>OPTION</b>	<b>LENGTH OF OPTION</b>	<b>EXTENSION</b>	<b>LENGTH OF EXTENSION</b>	<b>REVISED EXP. DATE</b>
<input type="checkbox"/>		<input type="checkbox"/>		December 31, 2018
<b>CURRENT VALUE</b>	<b>VALUE OF CHANGE NOTICE</b>	<b>ESTIMATED AGGREGATE CONTRACT VALUE</b>		
\$10,971,640.00	\$21,000.00	\$10,992,640.00		

**DESCRIPTION**  
Effective 4/24/2018, the parties add funding and the attached Statement of work related to Contractor resource John Natteford. All other terms, conditions, specifications, and pricing remain the same.



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

Project Title: Consultant: John Natteford	Period of Coverage: 03/01/2018- 12/31/2018
Requesting Department: Michigan Department of Education (MDE)	Date: 04/24/2018
MDOT Requestor: Ruth Thole	Phone: 517-373-3823

**This is a Statement of Work (SOW) to the International Consulting Acquisition Corporation Contract Number 071B3200088 dated April 01, 2013, subject to the terms and conditions thereof.**

**BACKGROUND**

This is a request for MDE to utilize staff augmentation services as provided under MA 071B3200088 between International Consulting Acquisition Corporation and the State of Michigan.

**DELIVERABLES**

MDE will contract with ICA's ERP consultant, John Natteford, to write custom Business Intelligence reports for SIGMA data and modify existing canned reports to better meet MDE's needs. Initial reports will be for Office of Financial Management and Program Office staff to assist in monitoring financial and payroll activity across the department - Accounts Receivable Report, Interface Batch Detail Report, USER App 3 by APPN and Grant Award, and TELL00036 report modifications.

**TERM**

Services for Mr. Natteford are needed between March 1, 2018 through December 31, 2018. He will work for a total of 100 hours.

**PRICING**

Per Contract specifications, pricing for Mr. Natteford is for Option Period 3, Fixed Hourly Rate of \$210.00 per hour. The total estimated amount is \$21,000.00.



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

**CONTRACT CHANGE NOTICE**

Change Notice Number **8**  
to  
Contract Number **071B3200088**

<b>CONTRACTOR</b>	INTERNATIONAL CONSULTING ACQUISITION CORPORATION
	4807 Spicewood Springs Rd
	Austin, TX 78759
	Kirk Teal
	512-231-9212
	kirk.teal@isg-one.com
	CV0008631

<b>STATE</b>	<b>Program Manager</b>	Lisa Evani	MULTI
		517-284-7586	
	evanil@michigan.gov		
	<b>Contract Administrator</b>	Garrick Paraskevin	DTMB
(517) 284-6993			
paraskeving@michigan.gov			

**CONTRACT SUMMARY**

<b>MAINT MODERNIZATION CONSULTANT</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
March 28, 2013	March 31, 2016	5 - 1 Year	December 31, 2018
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>MINIMUM DELIVERY REQUIREMENTS</b>			

<b>DESCRIPTION OF CHANGE NOTICE</b>				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		December 31, 2018
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$10,954,840.00	\$16,800.00	\$10,971,640.00		

**DESCRIPTION**  
Effective 4/24/2018, the parties add funding and the attached Statement of work related to Contractor resource John Natteford. All other terms, conditions, specifications, and pricing remain the same.



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

<b>Project Title:</b> Consultant: John Natteford	<b>Period of Coverage:</b> 03/01/2018- 06/01/2018
<b>Requesting Department:</b> Michigan Department of Transportation (MDOT)	<b>Date:</b> 04/24/2018
<b>MDOT Requestor:</b> Laura Dotson	<b>Phone:</b> 517-373-2134

**This is a Statement of Work (SOW) to the International Consulting Acquisition Corporation Contract Number 071B3200088 dated April 01, 2013, subject to the terms and conditions thereof.**

**BACKGROUND**

ISG is currently providing consulting services for the MAIN ERP Replacement Project pursuant to Contract Number 071B3200088. MDOT is seeking approval to work with Consultant, John Natteford for Post-Go Live Support. Specifically, John is assisting our Financial Operations Division with creation of Business Intelligence reports for reconciling data in SIGMA.

**DELIVERABLES**

Mr. Natteford provides subject matter expertise while assisting MDOT with development of Business Intelligence reports for reconciling data in SIGMA.

**TERM**

Services for Mr. Natteford are needed between March 1, 2018 through June 1, 2018. He will work for a total of 80 hours.

**PRICING**

Per Contract specifications, pricing for Mr. Natteford is for Option Period 3, Fixed Hourly Rate of \$210.00 per hour. The total estimated amount is \$16,800.00.



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

**CONTRACT CHANGE NOTICE**

Change Notice Number 7  
to  
Contract Number 071B3200088

<b>CONTRACTOR</b>	INTERNATIONAL CONSULTING ACQUISITION CORPORATION
	4807 Spicewood Springs Rd
	Austin, TX 78759
	Kirk Teal
	512-231-9212
	kirk.teal@isg-one.com
	*****6530

<b>STATE</b>	<b>Program Manager</b>	Lisa Evani	DTMB-IT
		517-284-7586	
	evanil@michigan.gov		
	<b>Contract Administrator</b>	Malu Natarajan	DTMB
(517) 284-7030			
natarajanm@michigan.gov			

**CONTRACT SUMMARY**

<b>MAINT MODERNIZATION CONSULTANT</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
March 28, 2013	March 31, 2016	5 - 1 Year	December 31, 2018
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card	<input type="checkbox"/> Direct Voucher (DV)	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

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**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		December 31, 2018
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$10,791,040.00	\$163,800.00	\$10,954,840.00		

**DESCRIPTION**

Effective 2/21/2018, the parties add funding and the attached Statement of work related to Contractor resource Willow Laurel. All other terms, conditions, specifications, and pricing remain the same.



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

**for**

**SIGMA Project Additional Implementation and Support Services**

**STATEMENT OF WORK for Contract Change Notice No. 007**

This Statement of Work for Contract Change Notice No. 007 (“Statement of Work”) is entered into by the Department of Technology, Management and Budget (“DTMB” or “State”) and ISG (“Contractor” or “Vendor”) under the terms of the Implementation Services Agreement (Contract #071B3200088) (“Agreement”), dated March 28, 2013, between DTMB and Contractor in accordance with Section 2.005 of the Agreement and Attachment 4 to the Agreement.

**Project Title:**

Additional ERP Implementation and Support Services

**Period of Performance:**

11/01/2017 – 03/31/2018

**DTMB Business Relationship Manager:**

Susan Nordyke

NordykeS@michigan.gov

(517) 373-9784

**Agency Project Manager:**

Shirley Montour

MontourS@michigan.gov

(517) 284-9364

**1. OVERVIEW AND BACKGROUND**

Additional general implementation support services are being requested in the form of Subject Matter Experts that will be assigned primarily to support the Department of Health and Human Services (DHHS) implementation effort.

**2. OBJECTIVES OF STATEMENT OF WORK**

Extend one (1) Subject Matter Expert using the monthly rate identified in Section 6 of this Statement of Work.

**3. SCOPE OF WORK**

Contractor will perform the task and other services specified in this Section 3 (“Services”) on a monthly billing basis at the rates specified in Section 6 of this Statement of Work. The schedule for performance



of the Services is specified in Section 4. Contractor is not responsible for the completion of Deliverables under this Statement of Work.

The Subject Matter Expert will be expected to assist in DHHS readiness activities including, but not limited to, the following:

1. Review, identify, and recommend policy modifications
2. Review, recommend, update, and document procedure changes
3. Review, recommend, update, and document agency specific desk guides and reference material
4. Support DHHS Change Management Efforts and Change Management Lead(s), provide communication recommendations and advice to help MDHHS employees make a successful transition to the new system
5. Provide support including assistance in ensuring SIGMA core system defects are resolved and re-tested
6. Provide general post production support services

#### **4. PROJECT SCHEDULE**

The schedule for performance of the Services is specified in the Integration Master Schedule (IMS), Agency Implementation Plan, and Agency Technical Schedule. The high-level project schedule dates are included below.

<b>Key Date</b>	<b>Date</b>
Resource Extension Date	11/01/2017
Phase 1.5 and 2 Supporting Activities	
1. Budget Preparation	03/31/2018
2. Procurement & VSS Functionality	03/31/2018
3. Core Financials	03/31/2018
4. Time, Expense, Leave, and Labor Distribution	03/31/2018
5. MDHHS System Interface files analysis	03/31/2018

#### **5. PROJECT STAFFING**

Contractor will provide the individual resources/roles specified in this Section 5 for performance of the Services.

The State is requesting one (1) Subject Matter Expert resource.

#### **6. COMPENSATION AND PAYMENT**

This Section 6 specifies the monthly billing rates applicable to the performance of the Services. The specified monthly billing rates are based on the communication between the ISG Contractor (Kirk Teal) and the SIGMA DTMB Deputy Director (Lisa Evani).

<b>Resource Cost Description</b>	<b>Costs</b>
One (1) Subject Matter Expert at \$32,760.00 for five (5) months.	\$163,800.00

Except as otherwise provided in this Section 6, the terms and conditions of Section 2.040 (Financial Provisions) of the Agreement applicable to services performed on a time and materials basis shall apply to compensation and payment for the Services under this Statement of Work.



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

**CONTRACT CHANGE NOTICE**

Change Notice Number **6**  
 to  
 Contract Number **071B3200088**

<b>CONTRACTOR</b>	INTERNATIONAL CONSULTING ACQUISITION CORPORATION
	4807 Spicewood Springs Rd
	Austin, TX 78759
	Kirk Teal
	512-231-9212
	kirk.teal@isg-one.com
	*****6530

<b>STATE</b>	<b>Program Manager</b>	Lisa Evani	DTMB-IT
		517-284-7586	
		evanil@michigan.gov	
	<b>Contract Administrator</b>	Malathi Natarajan	DTMB
		(517) 284-7030	
		natarajanm@michigan.gov	

**CONTRACT SUMMARY**

**MAINT MODERNIZATION CONSULTANT**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
March 28, 2013	March 31, 2016	5 - 1 Year	December 31, 2018

PAYMENT TERMS	DELIVERY TIMEFRAME
	N/A

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

N/A

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		December 31, 2018

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
\$9,696,640.00	\$1,094,400.00	\$10,791,040.00

**DESCRIPTION**

Effective march 30, 2017, this contract is amended to add the attached Statement of Work and ISG Proposal for Task Order 9 for \$1,094,400.00 dated January 1, 2017. This change notice utilizes \$1,094,400.00 that was approved by the Ad Board on October 25, 2016. Please note that the Contract Administrator has been changed to Malathi Natarajan. All other terms, conditions, specifications, and pricing remain the same per Contractor and Agency agreement, and DTMB approval.



**ISG**  
INFORMATION  
SERVICES  
GROUP



## **Proposal to State of Michigan Department of Technology, Management and Budget Procurement**

For Independent Verification and Validation Services

Presented by:

**Information Services Group, Inc.  
Public Sector**

Date: January 2, 2017

January 2, 2017

Ms. Ruth Schwartz  
Project Director  
Department of Technology, Management and Budget  
Victor Building, 7th Floor  
201 North Washington Square  
Lansing, Michigan 48933

Dear Ms. Schwartz:

International Consulting Acquisition Corp. (ICAC), a wholly owned subsidiary of Information Services Group, Inc. (ISG), doing business as ISG Public Sector (formerly STA Consulting), is pleased to submit this proposal to the State of Michigan (herein referred to as the State) Department of Technology, Management and Budget.

During our 18-year history, ISG/STA has participated in statewide ERP engagements for numerous states, excluding the assistance we have provided thus far to the State with its ERP initiative. In addition to the State of Michigan, we are currently providing ERP advisory services for five (5) states: Alaska, Arizona, Mississippi, and West Virginia. Additional comparable engagements have been completed for the states of Arkansas, Kansas, Kentucky, Louisiana, Nevada, Texas, and Tennessee. Given our statewide ERP experience, we believe that we are uniquely positioned to provide the State with the *best value* for its investment.

Most importantly, we maintain our independence with regard to all software providers and implementation services vendors. Unlike most of our competitors, we are not implementation partners (formal or informal) of ERP software providers, nor do we market any software or hardware products. We are truly independent in fact and appearance.

Our expertise in providing the services requested by the State is best evidenced by the fact that ISG/STA has been selected for all but one statewide ERP project for which we submitted a proposal since June 2002.

We look forward to the opportunity to continue to serve the State on this important project. Please let me know if you have any questions or require additional information regarding our proposal. I can be reached at my cell phone, (512) 630-5689, or at my e-mail address, [kirk.teal@isg-one.com](mailto:kirk.teal@isg-one.com).

Sincerely,

Kirk Teal  
Partner

This proposal is submitted in response to DTMB's statement of work for Independent Validation and Verification (IV&V) services.

## BACKGROUND

ISG is currently providing consulting services for the MAIN ERP Replacement Project, and these services are being provided in a series of phases. ISG's work within each phase has been and will continue to be documented and authorized by a Task Order Agreement (TO), which will consist of specific tasks and assignments over a designated timeline. ISG will coordinate all of its work with the State project team.

The initial scope of work under the Contract included the following major deliverables, work products, and tools:

- ERP Strategy Document
- Governance Structure Document
- Business Requirements
- DecisionDirector (DD) Collaboration Tool
- Funding Plan Documentation
- Update Business Case Analysis Documentation
- Evaluation Guide
- Demonstration Scripts
- Request for Proposal

## SCOPE OF WORK

As a continuation of ISG's assistance to the State under the Contract to support the MAIN Replacement Project, ISG is currently providing Independent Verification and Validation/Quality Assurance (IV&V/QA) services under previous task orders (TOs).

The services included in this proposal are in response to the statement of work issued by DTMB.

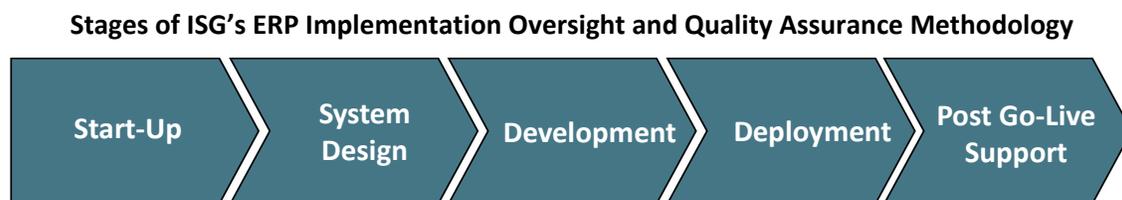
We propose adding consultants to our team to provide IV&V/QA and staff augmentation services under TO No. 9. As with previous TOs, our services will continue to be delivered in accordance with ISG's ERP Implementation Oversight and Quality Assurance Methodology,

which is described below. Note that this is the same description included in the prior task order and is provided herein for reference.

### ***ISG's ERP Implementation Oversight and Quality Assurance Methodology***

In an IV&V/QA role, ISG will provide subject matter expertise, as well as detailed review and feedback on project management, change management, and implementation services on an ongoing basis. ISG's IV&V/QA services will assist the State project team in achieving the expected benefits and in meeting the documented requirements.

ISG utilizes its proven methodology that has helped numerous public sector clients successfully implement large-scale, enterprise-wide package software. Our approach is designed to function in tandem with the typical staging of project activities in major systems integrators' ERP implementation methodologies. The diagram below indicates the organization of our project oversight activities into generic implementation stages.



Following are descriptions of the activities performed during each stage of the ERP implementation. The execution of project activities will be prioritized to reflect the actual issues experienced by the project or prioritized on the basis of perceived risk associated with implementation activities.

#### **Stage 1: Start-Up**

The Start-Up stage of the implementation lays the foundation for services to be provided during the implementation project. Note that many of these activities began under the pre-planning activities that occurred during the vendor-selection process. However, as these will continue into the start of the ERP implementation phase, these activities are documented here as part of Start-Up and ongoing project management. The following primary activities will be performed during the project Start-Up stage:

- **Project Planning/Mobilization** – ISG will assist the State's project management in organizing and initiating the project infrastructure; coordinating project team membership; coordinating team logistics and facilities; and establishing and communicating the project governance structure.
- **Familiarization** – At the beginning of this type of project, the systems integrator typically submits certain documents (e.g., project charter, detailed project plan) that provide the foundation for all future project activities. ISG will evaluate each of these documents to ensure that they: (1) meet State and industry standards, (2) conform to the implementation services contract requirements, and (3) contain the content necessary for a successful project.

- **Project Plan** – ISG will closely review the detailed project plan developed by the implementation services firm and ensure that it conforms to the implementation services contract requirements. We will ensure the project plan displays start and end dates, and staff (State and consulting staff) assigned to each task, as well as dependent relationships among tasks. Project milestones, work products, and deliverables should also be included in the plan. We will ensure that the project plan is refined on an ongoing basis to reflect more detailed information as it becomes available and to track progress.
- **Gap Analysis** – Critical project management and reporting tools and techniques should be established during the Start-Up stage. ISG will perform a gap analysis to ensure that the proper project management processes and methodologies are in place to ensure a successful project implementation. Our review will address (but is not limited to) the following:
  - Project plan establishment and monitoring;
  - Issue management and resolution;
  - Risk management;
  - Change control;
  - Deliverable review and acceptance;
  - Status reporting;
  - Standard meeting commitments;
  - Roles and responsibilities;
  - Documentation standards and version control; and
  - Meeting protocol.
- **Work Product / Deliverable Development** – ISG will work jointly with the State project resources on all project deliverables for which the State is responsible or to provide input in accordance with the Statement of Work that supports the contract between the State and its systems integrator.
- **Project Management** – ISG will provide independent oversight and quality assurance for the duration of the project. Project management assistance includes (but is not limited to) the following activities:
  - Overseeing issue and problem resolution;
  - Monitoring project timelines and deadlines (including submission of deliverables) per the detailed project plan; all variances from the planned schedule will be researched and contingency plans will be established, where necessary, to ensure that the project remains on schedule;
  - Conducting periodic risk assessments and leading risk mitigation efforts;
  - Attending all project status meetings;
  - Reviewing monthly progress reports to project executive management;



- Evaluating the quality and sufficiency of all project deliverables to ensure that they are of the highest quality and meet standards for deliverables per the response to the RFP;
  - Performing project milestone reviews;
  - Scrutinizing the quality of systems integrator performance;
  - Monitoring of systems integrator's compliance with required specifications per the RFP, systems integrator's response, and all other binding documents that support the project effort;
  - Monitoring contract specifics between systems integrator and the State (including enforcement of penalties when necessary);
  - Reviewing and analyzing all changes and updates to the systems integrator's Detailed Project Plan, and making recommendations to the State Project Director as to acceptability, schedule and staffing impact, budgetary considerations, and the like;
  - Supporting the State's project team;
  - Acting as mentors to the State's module leads;
  - Attending and assessing the effectiveness of team training; and
  - Monitoring the project budget and plan.
- **Staff Augmentation** – ISG will provide a separate pool of resources to support ISG's quality-assurance efforts on an as-needed basis as approved by the State. This pool might be accessed for the purposes of ensuring the quality of project activities such as testing, enterprise readiness (ER), organizational change management (OCM), etc.

#### **Anticipated Stage 1 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor's deliverables

#### **Stage 2: System Design**

During this stage of the project, the systems integrator, together with the State project team members, will develop the "To-Be" business processes. ISG will participate on the key design teams and help to ensure a high-quality design. A critical task is to validate that all requirements are addressed by the design so that there are no costly changes after the software has been configured. System Design assistance includes (but is not limited to) the following activities:

- Support the State's project team;
- Act as mentors to the module leads;
- Monitor coordination between functional, technical, and change management teams;

- Evaluate the quality and sufficiency of the deliverables identified in *Attachment 2 – Implementation Tasks, Services, Deliverables, and Milestones* of the Implementation Services contract with CGI (071B4300138);
- Anticipate problems and offer solutions;
- Validate the designed business processes within the context of the system requirements and project vision;
- Monitor the system design to ensure compliance with required specifications per the State’s procurement documents, the vendor’s response, and all other binding documents that support the project effort; and
- Take on additional assignments to meet deadlines, as necessary.

During this stage, we will review and provide feedback on the system integrator’s change management approach and strategy. Our oversight of change management will address (but not be limited to) the following activities:

- **Readiness assessment of end users** – ISG will review the tools that will be used to assess stakeholder and end-user readiness for the changes that will take place. This will be an ongoing activity to gain a shared understanding of stakeholder and end user involvement, skepticism, and resistance to change. The readiness assessment will help project management and project team members to better understand the issues and challenges impacting stakeholders and future end users.
- **Leadership alignment and executive sponsorship** – In addition to the communications originating from the project team, it is essential that the State’s executive leadership be seen as champions for the new system and the benefits it will provide. The ISG team will examine the methods that are proposed to ensure that executive sponsorship is effectively communicated and that the State’s leadership actively takes responsibility for guiding their agencies through change. Strong leadership is necessary for employee “buy-in” to the changes that will be taking place and is best demonstrated through commitment and empowerment.
- **Training** – ISG will evaluate the various components of end-user training, including the curriculum, materials, instructors, techniques, facilities, and logistics to ensure that employees are properly educated and able to function effectively in their new roles.
- **Communications** – ISG will inspect State and systems integrator efforts in developing a comprehensive communications and change management plan for the project. The plan should include a comprehensive strategy for communicating with all impacted levels of State government.
- **Elimination of barriers to success** – ISG will tailor our oversight activities to emphasize the potential “hot spots” and to mitigate project risks. Additional change management activities to be completed during this stage include (but are not limited to) the following:
  - Monitoring actual progress against the communications and change management plan;
  - Reporting to project governance on plan success;

- Evaluating the results of change readiness surveys; and
- Reviewing communication documents.

### **Anticipated Stage 2 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor's deliverables

### **Stage 3: Development**

During this stage, the project team will configure the system to support the agreed-upon design. The ISG team will participate with State resources to obtain necessary knowledge transfer relating to the system configuration process and in monitoring and testing the results of technical development activities. Activities to be undertaken during this stage include (but are not limited to) the following:

- Support the State's project team;
- Act as mentors to the module leads;
- Monitor coordination between functional, technical, and central agency support teams;
- Review and evaluate the quality and sufficiency of the deliverables identified in *Attachment 2 – Implementation Tasks, Services, Deliverables, and Milestones* of the Implementation Services contract with CGI (071B4300138);
- Anticipate problems and offer solutions;
- Monitor construction of the new system to ensure that all requirements (functional and technical) are addressed;
- Perform oversight of change management activities such as:
  - Monitoring actual progress against the communications and change management plan,
  - Reporting to project governance on plan success,
  - Evaluating user department leadership alignment/sponsorship,
  - Assessing the effectiveness of ongoing communications with the user departments,
  - Identifying potential barriers to success,
  - Managing and coordinating departmental liaison activities,
  - Evaluating the various components of end-user training (including the curriculum, materials, instructors, techniques, facilities, and logistics),
  - Assessing role mapping activities,
  - Examining content for the project website,
  - Assisting State employees begin the transition into their new roles,

- Reviewing presentation materials associated with change issues, and
- Reviewing communication documents; and
- Take on additional assignments to meet deadlines, as necessary.

Once the system has been configured, ISG will assist in confirming that the system operates as designed, including its integration with State legacy systems that will remain. ISG will review the test plans, interview the State staff, and participate in system testing to help ensure that requirements are addressed and that stakeholder expectations are met.

#### **Anticipated Stage 3 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor's deliverables

#### **Stage 4: Deployment**

At this stage, the software construction will have been completed and accepted by the State, and the software will be in the process of being rolled-out to the end-user community, potentially including vendors (e.g., vendor self-service).

During this stage, ISG's assistance will include (but not be limited to):

- Review and evaluate the quality and sufficiency of the related deliverables identified in *Attachment 2 – Implementation Tasks, Services, Deliverables, and Milestones* of the Implementation Services contract with CGI (071B4300138);
- Evaluating the effectiveness of end-user training;
- Support the State's project team;
- Act as mentors to the module leads;
- Evaluating the assessment of the State's readiness to go-live with the new system and providing independent verification of its accuracy and completeness; and
- Reviewing new business processes for proper internal controls.

#### **Anticipated Stage 4 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor's deliverables

#### **Stage 5: Post Go-Live Support**

After go-live, ISG will support the State's post-implementation support team in resolving problems and in providing support to the user agencies and vendor community (where applicable). ISG will also assist with the effort to stabilize and eventually optimize the new

business processes. Lastly, ISG will evaluate the quality and sufficiency of the final contract deliverables.

At the State's request, ISG may conduct a post-implementation review to recap project status, recommend action plans for the future, and document lessons learned.

**Anticipated Stage 5 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor's deliverables

## **PROJECT MANAGEMENT AND STAFFING**

ISG will report on the work performed under this task order during regularly scheduled status meetings. ISG will also be available to participate in executive briefings or provide supporting materials for State communications with executives and stakeholders.

- The project is currently in in the 27th month of its 39-month planned duration. Current project activities are focused on the following areas: System test execution
- Custom report design and development
- End to End Test Planning/Scripting
- Mock Conversion
- Agency custom reporting

David Boyd will continue to serve as ISG's Project Manager and will be responsible for overseeing ISG's performance and compliance with responsibilities under this TO. Stephen Zeeck, John Natteford, John Kohls, and Willo Laurel will continue to serve as ERP consultants and will assist with the delivery of IV&V/QA and staff augmentation services. Kirk Teal will serve as the Engagement Partner and will oversee the delivery of all ISG services. Alden Schiller will assist with developing and implementing a comprehensive SIGMA readiness plan that will identify the activities, resources, and completion deadlines necessary to ensure that OFM is ready for the SIGMA go-live.

Melody Hicks will assist with reporting efforts Her specific duties include the following:

- Review and provide feedback on custom report designs, development, and unit testing
- Assist in managing custom reporting requirements, design, and development effort, including managing report inventory control process
- Facilitate team discussions and reviews related to custom reports
- Provide status information to project management related to report design, development, and unit testing
- Research and provide responses to agency reporting questions
- Attend functional area checkpoint meetings to address reporting status

Lastly, Shannon Scharaldi and Teresa Kelly will assist with training efforts. Their specific responsibilities include the following:

- Review and provide feedback on training materials
- Attend weekly team meetings and proactively report status
- Produce job aids and step process guides
- Test training exercises
- Prep for and deliver training walk troughs and classes
- Provide on-site support to Super Users as they deliver training classes
- Troubleshoot technical errors before, during and after go-live
- Provide support and feedback during UAT

Additional ISG resources may be used to provide specific skill sets needed during the implementation phase, to accomplish requested tasks and/or meet timeline objectives.

**High Level Project Plan:**

The project plan shown below was taken from the overall SIGMA project plan and provides a high-level representation of the tasks and activities that Melody Hicks, Shannon Scharaldi, and Teresa Kelly will support.

Task Name	Duration	Start Date	End Date
Reports			
Reports Design Deliverables	56 days	Fri 2/17/17	Mon 5/8/17
Reports Development/Unit Test	282 days	Wed 3/23/16	Mon 5/8/17
Reports Test Scripts	204 days	Mon 6/6/16	Fri 3/31/17
Reports System Test Execution	170 days	Mon 8/1/16	Fri 4/7/17
Performance Budget (PB) Custom Reports Design	69 days	Wed 3/1/17	Tue 6/6/17
Custom Reports Design - All Reports	63 days	Wed 3/1/17	Fri 5/26/17
infoAdvantage Report Designs-Addendum 4-Review & Approval	10 days	Tue 5/23/17	Tue 6/6/17
Report Designs for Production ERP- -Review & Approval	10 days	Tue 5/23/17	Tue 6/6/17
PB Custom Reports Development/Unit Test	69 days	Wed 3/15/17	Tue 6/20/17
Custom Reports Development/Unit Test - All Reports	63 days	Wed 3/15/17	Mon 6/12/17
Tested & Approved infoAdvantage Reports- -Review & Approval	10 days	Wed 6/7/17	Tue 6/20/17
Tested & Approved Reports for Production ERP-Addendum 4-	10 days	Wed 6/7/17	Tue 6/20/17
CAFR Production FY 2016	52 days	Mon 10/2/17	Fri 12/15/17
CYE Tax Report	51 days	Mon 11/13/17	Wed 1/31/18

Task Name	Duration	Start Date	End Date
<b>Training</b>			
PB Training Manual - Budget Preparation	78 days	Tue 1/10/17	Mon 5/1/17
PB User Acceptance Test (UAT) Preparation	29 days	Tue 3/7/17	Fri 4/14/17
UAT Training	29 days	Tue 3/7/17	Fri 4/14/17
Training Material Preparation	345 days	Mon 2/22/16	Thu 7/6/17
Computer Based Training (CBT) Designs and Storyboards	205 days	Thu 5/5/16	Fri 3/3/17
Computer Based Training (CBT) Development/Unit Test	155 days	Tue 8/9/16	Mon 3/27/17
Instructor Led Training (ILT) End User Training Manual	223 days	Mon 7/11/16	Thu 6/1/17
Train State Trainers	24 days	Fri 6/2/17	Thu 7/6/17
Budget 2.0 End User Training	20 days	Mon 7/17/17	Fri 8/11/17
Purchasing End User Training	49 days	Mon 8/21/17	Fri 10/27/17
Finance End User Training	49 days	Tue 9/5/17	Mon 11/13/17
SIGMA Financial Post Implementation Support	250 days	Mon 10/2/17	Tue 10/2/18
Provide Phase 2 Post Implementation Support	250 days	Mon 10/2/17	Tue 10/2/18
SIGMA UAT Planning and Training - Budget, Procurement	81 days	Thu 12/1/16	Fri 3/31/17
Agency Specific Training - Financial/TELL	209 days	Tue 1/3/17	Fri 10/27/17
Identify specific functions for which agency-specific training	39 days	Wed 1/4/17	Wed 3/1/17
Develop agency specific training	106 days	Wed 2/1/17	Fri 6/30/17
Attend train the trainer sessions	32 days	Thu 6/15/17	Mon 7/31/17
Register agency users for training	66 days	Thu 6/1/17	Fri 9/1/17
Deliver agency user training	49 days	Mon 8/21/17	Fri 10/27/17
Assess agency training readiness for Go Live	10 days	Tue 9/5/17	Mon 9/18/17

## TERM OF THIS AGREEMENT

This Task Order Agreement shall be in effect from September 22, 2016 through December 31, 2017, unless extended or amended by mutual agreement of both parties.

## KEY ASSUMPTIONS

During every consecutive 12-month period in which an ISG consultant works for the State on a full-time basis, the consultant will be permitted to work off-site for 4 consecutive weeks. ISG will work with the State to identify the best time for the ISG consultant to work off-site. The ISG Project Manager will work with the State ERP Project Director to determine those areas of focus that best serve the State and the needs of the Project.

## COMPENSATION

ISG will provide assistance to the State with the task identified in the statement of work via individual monthly releases against a TO. As shown in the schedule below, the rate for the services delivered by Melody Hicks as a Report Developer is \$200 per hour. The rate for the services delivered by Shannon Scharaldi and Teresa Kelly in the Training Developer role is \$140 per hour.

Role - Name	TIME FRAME	
	10/16 - 09/17	10/17 - 09/18
	Option Period 2 Firm Fixed Hourly Rate	Option Period 3 Firm Fixed Hourly Rate
Engagement Partner	\$ 220	\$ 220
Project Manager	\$ 220	\$ 220
ERP Consultant	\$ 205	\$ 210
Consultant	\$ 190	\$ 195
Report Developer	\$ 200	\$ 200
Training Developer	\$ 140	\$ 140
Developer / Analyst	\$ 170	\$ 175

Approximately two (2) weeks prior to the beginning of a month that does not have an approved release for the work to be performed during that month, ISG will submit a Release Document for the upcoming month or quarter to the State Project Director. If the Release Document is accepted by the State, ISG will perform the tasks described in the Release Document. At the end of each month, ISG will: (1) produce a report that provides the status of the tasks described in the Release Document, and (2) submit an invoice to the State for the work performed during that month. The report will include the following items:

- The number of hours delivered during the past month and the cumulative total to date for the project.
- A statement as to whether the remaining hours in the project budget are sufficient to complete the project.
- The projected month and year that the project will exhaust funding.
- Identification of the tasks worked on and what was completed during the current reporting period.
- The amount of funds expended during the current reporting period and the cumulative total to date for the project.

The State will review the status report and, upon acceptance of report, approve the ISG invoice for payment and remit payment within 45 days of invoice receipt. The actual hours worked will vary and will be included in the monthly invoice.



Consulting fees are: (1) inclusive of all travel and out-of-pocket expenses, (2) in accordance with the Contract, and (3) provided by resource.

Should ISG staff be required to travel from Lansing to another location on State business, then the State will consider reimbursing ISG for any travel expenses. Any State-approved travel expenses must be allowable per the State’s travel guide.

Role - Name	09/16 - 12/17
	Firm Fixed Hourly Rate
Consultant - Melody Hicks	\$ 200
Consultant - Teresa Kelly	\$ 140
Consultant - Shannon Schiraldi	\$ 140

	Hours
Consultant - Melody Hicks	2,560
Consultant - Teresa Kelly	2,080
Consultant - Shannon Schiraldi	2,080

	Period Estimated Fee
Consultant - Melody Hicks	\$ 512,000
Consultant - Teresa Kelly	\$ 291,200
Consultant - Shannon Schiraldi	\$ 291,200

Estimated Total	\$ 1,094,400
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**STATE OF MICHIGAN**  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET  
 PROCUREMENT

525 W. ALLEGAN STREET  
 LANSING, MI 48933

P.O. BOX 30026  
 LANSING, MI 48909

CHANGE NOTICE NO. 5  
 to  
 CONTRACT NO. 071B3200088  
 between  
 THE STATE OF MICHIGAN  
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
International Consulting Acquisition Corporation 4807 Spicewood Springs Rd Austin TX, 78759	Kirk Teal	Kirk.teal@isg-one.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	512-231-9212	*****6530

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Lisa Evani	(517) 284-7586	evanil@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Terry Mead	(517) 284-7035	meadt@michigan.gov

CONTRACT SUMMARY				
<b>DESCRIPTION:</b> Maint Modernization Consultant				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
March 28, 2013	March 31, 2016	5 - 1 Year	December 31, 2018	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$6,856,720.00	\$2,839,920.00	\$9,696,640.00		

**DESCRIPTION:** Effective May 20, 2016, this contract is amended to add the attached Statements of Work and ISG Proposals for Task Order 6 (\$2,002,840.00) and Task Order 7 (\$837,080.00), dated 4/20/2016. This change notice utilizes \$2,839,920.00 that was approved by the Ad Board for this use on October 27, 2015, in change notice 4. See attached Tables in ISG Proposal for breakdown. These Statements of Work will:

Extend the 6 on-site resources (1 Partner, 1 Project Manager, and 4 ERP Consultants from October 1, 2017 to March 31, 2018.

Add 1 additional ERP Consultant for the period of February 10, 2016 to March 31, 2018.

Add 1 additional ERP Consultant for the period of March 28, 2016 to March 31, 2018.

All other pricing, terms and conditions remain the same. Per vendor and agency agreement and DTMB Procurement approval.

Ad Board Approved Amount	\$2,839,920.00
Amount Utilized with this Change Notice	\$2,839,920.00
Remaining Value after this Change Notice	\$0.00



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

<b>Project Title:</b> ERP Implementation Project	<b>Period of Coverage:</b> 7/1/14 – 12/31/2018
<b>Requesting Department:</b> DTMB/SBO/OFM	<b>Date:</b> 04/20/2016
<b>Agency Project Manager:</b> Ruth Schwartz	<b>Phone:</b> (517) 284-7585
<b>DTMB Project Manager:</b> Lisa Evani	<b>Phone:</b> (517) 284-7586

**Brief Description of Services to be provided:**

**BACKGROUND:**

Per the Contract, ISG will provide consulting services for the ERP Implementation Project, and these services will be provided in a series of phases. ISG's work within each phase will be documented and authorized by a Statement of Work, which will consist of specific task assignments, milestones, and deliverables to be completed over a designated timeline. ISG will coordinate all of its work with the State project team.

**PROJECT OBJECTIVE:**

The services requested under this Statement of Work (Task Order # 6) are referenced in the Contract under section 1.101 C. Independent Verification and Validation and relate to providing quality assurance on the major project deliverables identified in Attachment E – Implementation Services Tasks Deliverables and Milestones of the Enterprise Resource Planning System (ERP) – 084R4300001 RFP.

**SCOPE OF WORK:**

This Statement of Work is requesting the addition of one (1) ERP Consultants to perform the tasks that were previously defined in Task Order #3. (The tasks have been copied below for reference.) This Statement of Work is also requesting the extension of the existing six (6) on-site resources (1 partner, 1 project manager and 4 ERP Consultants) through March, 2018.

In an Independent Verification and Validation/Quality Assurance (IV&V/QA) role, the State is requesting ISG to provide subject matter expertise, as well as detailed review and feedback on project management, change management, and implementation services on an ongoing basis. The State is requesting IV&V/QA services to assist the State project team in achieving the expected benefits and in meeting the documented requirements.

Following is a list of phases/activities expected during each stage of the ERP implementation. The execution of project activities may be prioritized to reflect the actual issues experienced by the project or prioritized on the basis of perceived risk associated with implementation activities:

- **Stage 1: Start-Up**

- Project Planning/Mobilization Assistance
- Project Familiarization Assistance
- Project Plan Review
- Gap Analysis Review
- Work Product / Deliverable Review
- Project Management Monitoring
- Staff Augmentation
- Evaluate the quality and sufficiency of the deliverables
- Support the State's project team
- Act as mentors to the module leads
- **Stage 2: System Design**
  - Readiness assessment of end users
  - Leadership alignment and executive sponsorship
  - Training Support
  - Communications Assistance
  - Elimination of barriers to success
  - Evaluate the quality and sufficiency of the deliverables
  - Support the State's project team
  - Act as mentors to the module leads
- **Stage 3: Development**
  - Evaluate the quality and sufficiency of the deliverables
  - Support the State's project team
  - Act as mentors to the module leads
- **Stage 4: Deployment**
  - Evaluate the quality and sufficiency of the deliverables
  - Support the State's project team
  - Act as mentors to the module leads
- **Stage 5: Post Go-Live Support**
  - Evaluate the quality and sufficiency of the deliverables

- Support the State's project team
- Act as mentors to the module leads

#### **DELIVERABLES:**

This Statement of Work will be compensated through quarterly releases against a fixed price. The fixed price will be based on an estimate of effort required in combination with rates not to exceed the rate card outlined in the contract.

#### **PROJECT CONTROL AND REPORTS:**

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

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

#### **SPECIFIC DEPARTMENT STANDARDS:**

N/A – All standards have been defined within the contract.

#### **PAYMENT SCHEDULE:**

Payment will be made on a quarterly release against the fixed price identified in ISG's response to this Statement of Work. DTMB will pay CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than quarterly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense.

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

#### **EXPENSES:**

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

#### **PROJECT CONTACTS:**

The Agency Project Manager is:  
Ruth Schwartz

Department of Technology, Management and Budget  
State Budget Office  
201 N. Washington Square  
Lansing, MI 48913  
Phone: (517) 284-7585  
E-Mail: SchwartzR1@michigan.gov

The DTMB Project Manager is:

Lisa Evani  
Department of Technology, Management and Budget  
Customer Services supporting DTMB and MCSC  
201 N. Washington Square  
Lansing, MI 48913  
Phone: (517) 284-7586  
E-mail: EvaniL@michigan.gov

**AGENCY RESPONSIBILITIES:**

- DTMB and SBO will coordinate to provide direction to vendor staff in regards to work effort and priorities.
- STATE will provide telephone access for project-related calls originating from within the State's office.
- STATE will provide copying equipment for project-related documents.
- STATE will provide access to Facsimile equipment for items that are project related.
- STATE will provide computer hardware and software for consultants, *as deemed necessary*.

**LOCATION OF WHERE THE WORK IS TO BE PERFORMED:**

Consultants will work in Lansing, Michigan.



**ISG**  
INFORMATION  
SERVICES  
GROUP



# **Proposal to State of Michigan Department of Technology, Management and Budget Procurement**

For Independent Verification and Validation Services

Presented by:

**Information Services Group, Inc.  
Public Sector**

Date: April 20, 2016



April 20, 2016

Ms. Ruth Schwartz  
Project Director  
Department of Technology, Management and Budget  
Victor Building, 7th Floor  
201 North Washington Square  
Lansing, Michigan 48933

Dear Ms. Schwartz:

International Consulting Acquisition Corp. (ICAC), a wholly owned subsidiary of Information Services Group, Inc. (ISG), doing business as ISG Public Sector (formerly STA Consulting), is pleased to submit this proposal to the State of Michigan (herein referred to as the State) Department of Technology, Management and Budget.

During our 18-year history, ISG/STA has participated in statewide ERP engagements for numerous states, excluding the assistance we have provided thus far to the State with its ERP initiative. In addition to the State of Michigan, we are currently providing ERP advisory services for five (5) states: Alaska, Arizona, Mississippi, and West Virginia. Additional comparable engagements have been completed for the states of Arkansas, Kansas, Kentucky, Louisiana, Nevada, Texas and Tennessee. Given our statewide ERP experience, we believe that we are uniquely positioned to provide the State with the *best value* for its investment.

Most importantly, we maintain our independence with regard to all software providers and implementation services vendors. Unlike most of our competitors, we are not implementation partners (formal or informal) of ERP software providers, nor do we market any software or hardware products. We are truly independent in fact and appearance.

Our expertise in providing the services requested by the State is best evidenced by the fact that ISG/STA has been selected for all but one statewide ERP project for which we submitted a proposal since June 2002.

We look forward to the opportunity to continue to serve the State on this important project. Please let me know if you have any questions or require additional information regarding our proposal. I can be reached at my cell phone, (512) 630-5689, or at my e-mail address, [kirk.teal@isg-one.com](mailto:kirk.teal@isg-one.com).

Sincerely,

Kirk Teal  
Partner

This proposal is submitted in response to DTMB's statement of work for Independent Validation and Verification (IV&V) services.

## BACKGROUND

ISG is currently providing consulting services for the MAIN ERP Replacement Project, and these services are being provided in a series of phases. ISG's work within each phase has been and will continue to be documented and authorized by a Task Order Agreement (TO), which will consist of specific tasks and assignments over a designated timeline. ISG will coordinate all of its work with the State project team.

The initial scope of work under the Contract included the following major deliverables, work products, and tools:

- ERP Strategy Document
- Governance Structure Document
- Business Requirements
- DecisionDirector (DD) Collaboration Tool
- Funding Plan Documentation
- Update Business Case Analysis Documentation
- Evaluation Guide
- Demonstration Scripts
- Request for Proposal



## SCOPE OF WORK

As a continuation of ISG's assistance to the State under the Contract to support the MAIN Replacement Project, ISG is currently providing Independent Verification and Validation/Quality Assurance (IV&V/QA) services under task order (TO) No. 5.

The services included in this proposal are in response to the statement of work issued by DTMB.

We propose adding consultants to our team to provide IV&V/QA services under TO No. 6. As with TO No. 5, our services will continue to be delivered in accordance with ISG's ERP Implementation Oversight and Quality Assurance Methodology, which is described below. Note that this is the same description included in the prior TO and is provided herein for reference.

### ***ISG's ERP Implementation Oversight and Quality Assurance Methodology***

In an IV&V/QA role, ISG will provide subject matter expertise, as well as detailed review and feedback on project management, change management, and implementation services on an ongoing basis. ISG's IV&V/QA services will assist the State project team in achieving the expected benefits and in meeting the documented requirements.

ISG utilizes its proven methodology that has helped numerous public sector clients successfully implement large-scale, enterprise-wide package software. Our approach is designed to function in tandem with the typical staging of project activities in major systems integrators' ERP implementation methodologies. The diagram below indicates the organization of our project oversight activities into generic implementation stages.

#### **Stages of ISG's ERP Implementation Oversight and Quality Assurance Methodology**



Following are descriptions of the activities performed during each stage of the ERP implementation. The execution of project activities will be prioritized to reflect the actual issues experienced by the project or prioritized on the basis of perceived risk associated with implementation activities.

#### **Stage 1: Start-Up**

The Start-Up stage of the implementation lays the foundation for services to be provided during the implementation project. Note that many of these activities began under the pre-planning activities that occurred during the vendor-selection process. However, as these will continue into the start of the ERP implementation phase, these activities are documented here as part of Start-Up and ongoing project management. The following primary activities will be performed during the project Start-Up stage:

**Information Services Group, Inc.**  
Building 2, Suite 105  
4807 Spicewood Springs Rd  
Austin, TX 78759

+1 (512) 231-9212 tel  
+1 (512) 532-7799 fax  
[www.isg-one.com](http://www.isg-one.com)



- **Project Planning/Mobilization** – ISG will assist the State’s project management in organizing and initiating the project infrastructure; coordinating project team membership; coordinating team logistics and facilities; and establishing and communicating the project governance structure.
- **Familiarization** – At the beginning of this type of project, the systems integrator typically submits certain documents (e.g., project charter, detailed project plan) that provide the foundation for all future project activities. ISG will evaluate each of these documents to ensure that they: (1) meet State and industry standards, (2) conform to the implementation services contract requirements, and (3) contain the content necessary for a successful project.
- **Project Plan** – ISG will closely review the detailed project plan developed by the implementation services firm and ensure that it conforms to the implementation services contract requirements. We will ensure the project plan displays start and end dates, and staff (State and consulting staff) assigned to each task, as well as dependent relationships among tasks. Project milestones, work products, and deliverables should also be included in the plan. We will ensure that the project plan is refined on an ongoing basis to reflect more detailed information as it becomes available and to track progress.
- **Gap Analysis** – Critical project management and reporting tools and techniques should be established during the Start-Up stage. ISG will perform a gap analysis to ensure that the proper project management processes and methodologies are in place to ensure a successful project implementation. Our review will address (but is not limited to) the following:
  - Project plan establishment and monitoring;
  - Issue management and resolution;
  - Risk management;
  - Change control;
  - Deliverable review and acceptance;
  - Status reporting;
  - Standard meeting commitments;
  - Roles and responsibilities;
  - Documentation standards and version control; and
  - Meeting protocol.



- **Work Product / Deliverable Development** – ISG will work jointly with the State project resources on all project deliverables for which the State is responsible or to provide input in accordance with the Statement of Work that supports the contract between the State and its systems integrator.
- **Project Management** – ISG will provide independent oversight and quality assurance for the duration of the project. Project management assistance includes (but is not limited to) the following activities:
  - Overseeing issue and problem resolution;
  - Monitoring project timelines and deadlines (including submission of deliverables) per the detailed project plan; all variances from the planned schedule will be researched and contingency plans will be established, where necessary, to ensure that the project remains on schedule;
  - Conducting periodic risk assessments and leading risk mitigation efforts;
  - Attending all project status meetings;
  - Reviewing monthly progress reports to project executive management;
  - Evaluating the quality and sufficiency of all project deliverables to ensure that they are of the highest quality and meet standards for deliverables per the response to the RFP;
  - Performing project milestone reviews;
  - Scrutinizing the quality of systems integrator performance;
  - Monitoring of systems integrator’s compliance with required specifications per the RFP, systems integrator’s response, and all other binding documents that support the project effort;
  - Monitoring contract specifics between systems integrator and the State (including enforcement of penalties when necessary);
  - Reviewing and analyzing all changes and updates to the systems integrator’s Detailed Project Plan, and making recommendations to the State Project Director as to acceptability, schedule and staffing impact, budgetary considerations, and the like;
  - Supporting the State’s project team;
  - Acting as mentors to the State’s module leads;
  - Attending and assessing the effectiveness of team training; and
  - Monitoring the project budget and plan.



- **Staff Augmentation** – ISG will provide a separate pool of resources to support ISG’s quality-assurance efforts on an as-needed basis as approved by the State. This pool might be accessed for the purposes of ensuring the quality of project activities such as testing, enterprise readiness (ER), organizational change management (OCM), etc.

**Anticipated Stage 1 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor’s deliverables

**Stage 2: System Design**

During this stage of the project, the systems integrator, together with the State project team members, will develop the “To-Be” business processes. ISG will participate on the key design teams and help to ensure a high-quality design. A critical task is to validate that all requirements are addressed by the design so that there are no costly changes after the software has been configured. System Design assistance includes (but is not limited to) the following activities:

- Support the State’s project team;
- Act as mentors to the module leads;
- Monitor coordination between functional, technical, and change management teams;
- Evaluate the quality and sufficiency of the deliverables identified in *Attachment 2 – Implementation Tasks, Services, Deliverables, and Milestones* of the Implementation Services contract with CGI (071B4300138);
- Anticipate problems and offer solutions;
- Validate the designed business processes within the context of the system requirements and project vision;
- Monitor the system design to ensure compliance with required specifications per the State’s procurement documents, the vendor’s response, and all other binding documents that support the project effort; and
- Take on additional assignments to meet deadlines, as necessary.

During this stage, we will review and provide feedback on the system integrator’s change management approach and strategy. Our oversight of change management will address (but not be limited to) the following activities:

- **Readiness assessment of end users** – ISG will review the tools that will be used to assess stakeholder and end-user readiness for the changes that will take place. This will be an



ongoing activity to gain a shared understanding of stakeholder and end user involvement, skepticism, and resistance to change. The readiness assessment will help project management and project team members to better understand the issues and challenges impacting stakeholders and future end users.

- **Leadership alignment and executive sponsorship** – In addition to the communications originating from the project team, it is essential that the State’s executive leadership be seen as champions for the new system and the benefits it will provide. The ISG team will examine the methods that are proposed to ensure that executive sponsorship is effectively communicated and that the State’s leadership actively takes responsibility for guiding their agencies through change. Strong leadership is necessary for employee “buy-in” to the changes that will be taking place and is best demonstrated through commitment and empowerment.
- **Training** – ISG will evaluate the various components of end-user training, including the curriculum, materials, instructors, techniques, facilities, and logistics to ensure that employees are properly educated and able to function effectively in their new roles.
- **Communications** – ISG will inspect State and systems integrator efforts in developing a comprehensive communications and change management plan for the project. The plan should include a comprehensive strategy for communicating with all impacted levels of State government.
- **Elimination of barriers to success** – ISG will tailor our oversight activities to emphasize the potential “hot spots” and to mitigate project risks. Additional change management activities to be completed during this stage include (but are not limited to) the following:
  - Monitoring actual progress against the communications and change management plan;
  - Reporting to project governance on plan success;
  - Evaluating the results of change readiness surveys; and
  - Reviewing communication documents.

#### **Anticipated Stage 2 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor’s deliverables

### Stage 3: Development

During this stage, the project team will configure the system to support the agreed-upon design. The ISG team will participate with State resources to obtain necessary knowledge transfer relating to the system configuration process and in monitoring and testing the results of technical development activities. Activities to be undertaken during this stage include (but are not limited to) the following:

- Support the State's project team;
- Act as mentors to the module leads;
- Monitor coordination between functional, technical, and central agency support teams;
- Review and evaluate the quality and sufficiency of the deliverables identified in *Attachment 2 – Implementation Tasks, Services, Deliverables, and Milestones* of the Implementation Services contract with CGI (071B4300138);
- Anticipate problems and offer solutions;
- Monitor construction of the new system to ensure that all requirements (functional and technical) are addressed;
- Perform oversight of change management activities such as:
  - Monitoring actual progress against the communications and change management plan,
  - Reporting to project governance on plan success,
  - Evaluating user department leadership alignment/sponsorship,
  - Assessing the effectiveness of ongoing communications with the user departments,
  - Identifying potential barriers to success,
  - Managing and coordinating departmental liaison activities,
  - Evaluating the various components of end-user training (including the curriculum, materials, instructors, techniques, facilities, and logistics),
  - Assessing role mapping activities,
  - Examining content for the project website,
  - Assisting State employees begin the transition into their new roles,
  - Reviewing presentation materials associated with change issues, and
  - Reviewing communication documents; and
- Take on additional assignments to meet deadlines, as necessary.



Once the system has been configured, ISG will assist in confirming that the system operates as designed, including its integration with State legacy systems that will remain. ISG will review the test plans, interview the State staff, and participate in system testing to help ensure that requirements are addressed and that stakeholder expectations are met.

#### **Anticipated Stage 3 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor's deliverables

#### **Stage 4: Deployment**

At this stage, the software construction will have been completed and accepted by the State, and the software will be in the process of being rolled-out to the end-user community, potentially including vendors (e.g., vendor self-service).

During this stage, ISG's assistance will include (but not be limited to):

- Review and evaluate the quality and sufficiency of the related deliverables identified in *Attachment 2 – Implementation Tasks, Services, Deliverables, and Milestones* of the Implementation Services contract with CGI (071B4300138);
- Evaluating the effectiveness of end-user training;
- Support the State's project team;
- Act as mentors to the module leads;
- Evaluating the assessment of the State's readiness to go-live with the new system and providing independent verification of its accuracy and completeness; and
- Reviewing new business processes for proper internal controls.

#### **Anticipated Stage 4 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor's deliverables

#### **Stage 5: Post Go-Live Support**

After go-live, ISG will support the State's post-implementation support team in resolving problems and in providing support to the user agencies and vendor community (where applicable). ISG will also assist with the effort to stabilize and eventually optimize the new business processes. Lastly, ISG will evaluate the quality and sufficiency of the final contract deliverables.



At the State's request, ISG may conduct a post-implementation review to recap project status, recommend action plans for the future, and document lessons learned.

#### **Anticipated Stage 5 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor's deliverables

## **PROJECT MANAGEMENT AND STAFFING**

ISG will report on the work performed under this TO during regularly scheduled status meetings. ISG will also be available to participate in executive briefings or provide supporting materials for State communications with executives and stakeholders.

David Boyd will continue to serve as ISG's Project Manager and will be responsible for overseeing ISG's performance and compliance with responsibilities under this TO. Stephen Zeeck, John Natteford, John Kohls, and Willo Laurel will serve as ERP consultants and will assist with the delivery of IV&V/QA and staff augmentation services. Kirk Teal will serve as the Engagement Partner and will oversee the delivery of all ISG services. Abe Meer will be added to the ISG project team to serve as the DHHS Project Manager. Additional ISG resources may be used to provide specific skill sets needed during the implementation phase, in order to accomplish requested tasks and/or meet timeline objectives.

## **TERM OF THIS AGREEMENT**

This Task Order Agreement shall be in effect from October 1, 2015 through December 31, 2018, unless extended or amended by mutual agreement of both parties.

## **KEY ASSUMPTIONS**

During every consecutive 12-month period in which an ISG consultant works for the State on a full-time basis, the consultant will be permitted to work off-site for 4 consecutive weeks. ISG will work with the State to identify the best time for the ISG consultant to work off-site. The ISG Project Manager will work with the State ERP Project Director to determine those areas of focus that best serve the State and the needs of the Project.

## **COMPENSATION**

ISG will provide assistance to the State with the task identified in the statement of work via individual monthly releases against a TO. The Ad Board approved a change in the amount of

**Information Services Group, Inc.**  
Building 2, Suite 105  
4807 Spicewood Springs Rd  
Austin, TX 78759

+1 (512) 231-9212 tel  
+1 (512) 532-7799 fax  
[www.isg-one.com](http://www.isg-one.com)



\$2,839,920. The amount of this TO is \$2,002,840, which will leave a remaining balance of \$837,080 for any future adjustments. Approximately two (2) weeks prior to the beginning of a month that does not have an approved release for the work to be performed during that month, ISG will submit a Release Document for the upcoming month or quarter to the State Project Director. If the Release Document is accepted by the State, ISG will perform the tasks described in the Release Document. At the end of each month, ISG will: (1) produce a report that provides the status of the tasks described in the Release Document, and (2) submit an invoice to the State for the work performed during that month. The report will include the following items:

- The number of hours expended during the past month, and the cumulative total to date for the project.
- A statement as to whether the remaining hours in the project budget are sufficient to complete the project.
- The projected month and year that the project will exhaust funding.
- Identification of the tasks worked on and what was completed during the current reporting period.
- The amount of funds expended during the current reporting period, and the cumulative total to date for the project.

The State will review the status report and, upon acceptance of report, approve the ISG invoice for payment and remit payment within 45 days of invoice receipt. The actual hours worked will vary and will be included in the monthly invoice.

Consulting fees are: (1) inclusive of all travel and out-of-pocket expenses, (2) in accordance with the Contract, and (3) provided by resource.

Should ISG staff be required to travel from Lansing to another location on State business, then the State will consider reimbursing ISG for any travel expenses. Any State-approved travel expenses must be allowable per the State's travel guide.



Role - Name	TIME FRAME		
	2/16 - 09/16	10/16 - 09/17	10/17 - 09/18
	Option Period 1 Firm Fixed Hourly Rate	Option Period 2 Firm Fixed Hourly Rate	Option Period 3 Firm Fixed Hourly Rate
Partner - Kirk Teal	\$ 215	\$ 220	\$ 220
Project Manager - David Boyd	\$ 215	\$ 220	\$ 220
Consultant - Willo Laurel	\$ 200	\$ 205	\$ 210
Consultant - John Kohls	\$ 200	\$ 205	\$ 210
Consultant - Abe Meer	\$ 200	\$ 205	\$ 210
Consultant - John Natteford	\$ 200	\$ 205	\$ 210
Consultant - Stephen Zeeck	\$ 200	\$ 205	\$ 210

	Option Period 1 Hours	Option Period 2 Hours	Option Period 3 Hours
Partner - Kirk Teal			258
Project Manager - David Boyd			1008
Consultant - Willo Laurel			1008
Consultant - John Kohls			1008
Consultant - Abe Meer	1296	1984	1008
Consultant - John Natteford			1008
Consultant - Stephen Zeeck			1008

	Option Period 1 Estimated Fee	Option Period 2 Estimated Fee	Option Period 3 Hours / Month
Partner - Kirk Teal	\$ -	\$ -	\$ 56,760
Project Manager - David Boyd	\$ -	\$ -	\$ 221,760
Consultant - Willo Laurel	\$ -	\$ -	\$ 211,680
Consultant - John Kohls	\$ -	\$ -	\$ 211,680
Consultant - Abe Meer	\$ 259,200	\$ 406,720	\$ 211,680
Consultant - John Natteford	\$ -	\$ -	\$ 211,680
Consultant - Stephen Zeeck	\$ -	\$ -	\$ 211,680

Estimated Total By Period	\$ 259,200	\$ 406,720	\$ 1,336,920
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Estimated Total			\$ 2,002,840
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**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
STATEMENT OF WORK**

<b>Project Title:</b> ERP Implementation Project	<b>Period of Coverage:</b> 7/1/14 – 12/31/2018
<b>Requesting Department:</b> DTMB/SBO/OFM	<b>Date:</b> 04/20/2016
<b>Agency Project Manager:</b> Ruth Schwartz	<b>Phone:</b> (517) 284-7585
<b>DTMB Project Manager:</b> Lisa Evani	<b>Phone:</b> (517) 284-7586

**Brief Description of Services to be provided:**

**BACKGROUND:**

Per the Contract, ISG will provide consulting services for the ERP Implementation Project, and these services will be provided in a series of phases. ISG’s work within each phase will be documented and authorized by a Statement of Work, which will consist of specific task assignments, milestones, and deliverables to be completed over a designated timeline. ISG will coordinate all of its work with the State project team.

**PROJECT OBJECTIVE:**

The services requested under this Statement of Work (Task Order # 7) are referenced in the Contract under section 1.101 C. Independent Verification and Validation and relate to providing quality assurance on the major project deliverables identified in Attachment E – Implementation Services Tasks Deliverables and Milestones of the Enterprise Resource Planning System (ERP) – 084R4300001 RFP.

**SCOPE OF WORK:**

This Statement of Work is requesting the addition of one (1) ERP Consultants through March, 2018 to perform the tasks that were previously defined in Task Order #3. (The tasks have been copied below for reference.)

In an Independent Verification and Validation/Quality Assurance (IV&V/QA) role, the State is requesting ISG to provide subject matter expertise, as well as detailed review and feedback on project management, change management, and implementation services on an ongoing basis. The State is requesting IV&V/QA services to assist the State project team in achieving the expected benefits and in meeting the documented requirements.

Following is a list of phases/activities expected during each stage of the ERP implementation. The execution of project activities may be prioritized to reflect the actual issues experienced by the project or prioritized on the basis of perceived risk associated with implementation activities:

**Information Services Group, Inc.**  
Building 2, Suite 105  
4807 Spicewood Springs Rd  
Austin, TX 78759

+1 (512) 231-9212 tel  
+1 (512) 532-7799 fax  
www.isg-one.com



- **Stage 1: Start-Up**
  - Project Planning/Mobilization Assistance
  - Project Familiarization Assistance
  - Project Plan Review
  - Gap Analysis Review
  - Work Product / Deliverable Review
  - Project Management Monitoring
  - Staff Augmentation
  - Evaluate the quality and sufficiency of the deliverables
  - Support the State's project team
  - Act as mentors to the module leads
  
- **Stage 2: System Design**
  - Readiness assessment of end users
  - Leadership alignment and executive sponsorship
  - Training Support
  - Communications Assistance
  - Elimination of barriers to success
  - Evaluate the quality and sufficiency of the deliverables
  - Support the State's project team
  - Act as mentors to the module leads
  
- **Stage 3: Development**
  - Evaluate the quality and sufficiency of the deliverables
  - Support the State's project team
  - Act as mentors to the module leads
  
- **Stage 4: Deployment**
  - Evaluate the quality and sufficiency of the deliverables



- Support the State's project team
- Act as mentors to the module leads
- **Stage 5: Post Go-Live Support**
  - Evaluate the quality and sufficiency of the deliverables
  - Support the State's project team
  - Act as mentors to the module leads

**DELIVERABLES:**

This Statement of Work will be compensated through quarterly releases against a fixed price. The fixed price will be based on an estimate of effort required in combination with rates not to exceed the rate card outlined in the contract.

**PROJECT CONTROL AND REPORTS:**

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

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

**SPECIFIC DEPARTMENT STANDARDS:**

N/A – All standards have been defined within the contract.

**PAYMENT SCHEDULE:**

Payment will be made on a quarterly release against the fixed price identified in ISG's response to this Statement of Work. DTMB will pay CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than quarterly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense.

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

**EXPENSES:**

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

**PROJECT CONTACTS:**

The Agency Project Manager is:  
Ruth Schwartz  
Department of Technology, Management and Budget  
State Budget Office  
201 N. Washington Square  
Lansing, MI 48913  
Phone: (517) 284-7585  
E-Mail: SchwartzR1@michigan.gov

The DTMB Project Manager is:  
Lisa Evani  
Department of Technology, Management and Budget  
Customer Services supporting DTMB and MCSC  
201 N. Washington Square  
Lansing, MI 48913  
Phone: (517) 284-7586  
E-mail: EvaniL@michigan.gov

**AGENCY RESPONSIBILITIES:**

- DTMB and SBO will coordinate to provide direction to vendor staff in regards to work effort and priorities.
- STATE will provide telephone access for project-related calls originating from within the State's office.
- STATE will provide copying equipment for project-related documents.
- STATE will provide access to Facsimile equipment for items that are project related.
- STATE will provide computer hardware and software for consultants, *as deemed necessary*.

**LOCATION OF WHERE THE WORK IS TO BE PERFORMED:**

Consultants will work in Lansing, Michigan.







**ISG**  
INFORMATION  
SERVICES  
GROUP



# Proposal to State of Michigan Department of Technology, Management and Budget Procurement

For Independent Verification and Validation Services

Presented by:

**Information Services Group, Inc.**  
**Public Sector**

Date: April 20, 2016

**Information Services Group, Inc.**  
Building 2, Suite 105  
4807 Spicewood Springs Rd  
Austin, TX 78759

+1 (512) 231-9212 tel  
+1 (512) 532-7799 fax  
[www.isg-one.com](http://www.isg-one.com)



April 20, 2016

Ms. Ruth Schwartz  
Project Director  
Department of Technology, Management and Budget  
Victor Building, 7th Floor  
201 North Washington Square  
Lansing, Michigan 48933

Dear Ms. Schwartz:

International Consulting Acquisition Corp. (ICAC), a wholly owned subsidiary of Information Services Group, Inc. (ISG), doing business as ISG Public Sector (formerly STA Consulting), is pleased to submit this proposal to the State of Michigan (herein referred to as the State) Department of Technology, Management and Budget.

During our 18-year history, ISG/STA has participated in statewide ERP engagements for numerous states, excluding the assistance we have provided thus far to the State with its ERP initiative. In addition to the State of Michigan, we are currently providing ERP advisory services for five (5) states: Alaska, Arizona, Mississippi, and West Virginia. Additional comparable engagements have been completed for the states of Arkansas, Kansas, Kentucky, Louisiana, Nevada, Texas, and Tennessee. Given our statewide ERP experience, we believe that we are uniquely positioned to provide the State with the *best value* for its investment.

Most importantly, we maintain our independence with regard to all software providers and implementation services vendors. Unlike most of our competitors, we are not implementation partners (formal or informal) of ERP software providers, nor do we market any software or hardware products. We are truly independent in fact and appearance.

Our expertise in providing the services requested by the State is best evidenced by the fact that ISG/STA has been selected for all but one statewide ERP project for which we submitted a proposal since June 2002.

We look forward to the opportunity to continue to serve the State on this important project. Please let me know if you have any questions or require additional information regarding our proposal. I can be reached at my cell phone, (512) 630-5689, or at my e-mail address, [kirk.teal@isg-one.com](mailto:kirk.teal@isg-one.com).

Sincerely,

Kirk Teal  
Partner

This proposal is submitted in response to DTMB's statement of work for Independent Validation and Verification (IV&V) services.

## BACKGROUND

ISG is currently providing consulting services for the MAIN ERP Replacement Project, and these services are being provided in a series of phases. ISG's work within each phase has been and will continue to be documented and authorized by a Task Order Agreement (TO), which will consist of specific tasks and assignments over a designated timeline. ISG will coordinate all of its work with the State project team.

The initial scope of work under the Contract included the following major deliverables, work products, and tools:

- ERP Strategy Document
- Governance Structure Document
- Business Requirements
- DecisionDirector (DD) Collaboration Tool
- Funding Plan Documentation
- Update Business Case Analysis Documentation
- Evaluation Guide
- Demonstration Scripts
- Request for Proposal



## SCOPE OF WORK

As a continuation of ISG's assistance to the State under the Contract to support the MAIN Replacement Project, ISG is currently providing Independent Verification and Validation/Quality Assurance (IV&V/QA) services under task order (TO) No. 5.

The services included in this proposal are in response to the statement of work issued by DTMB.

We propose adding a consultant to our team to provide IV&V/QA services under TO No. 7. As with TO No. 5, our services will continue to be delivered in accordance with ISG's ERP Implementation Oversight and Quality Assurance Methodology, which is described below. Note that this is the same description included in the prior task order and is provided herein for reference.

### ***ISG's ERP Implementation Oversight and Quality Assurance Methodology***

In an IV&V/QA role, ISG will provide subject matter expertise, as well as detailed review and feedback on project management, change management, and implementation services on an ongoing basis. ISG's IV&V/QA services will assist the State project team in achieving the expected benefits and in meeting the documented requirements.

ISG utilizes its proven methodology that has helped numerous public sector clients successfully implement large-scale, enterprise-wide package software. Our approach is designed to function in tandem with the typical staging of project activities in major systems integrators' ERP implementation methodologies. The diagram below indicates the organization of our project oversight activities into generic implementation stages.

#### **Stages of ISG's ERP Implementation Oversight and Quality Assurance Methodology**



Following are descriptions of the activities performed during each stage of the ERP implementation. The execution of project activities will be prioritized to reflect the actual issues experienced by the project or prioritized on the basis of perceived risk associated with implementation activities.

#### **Stage 1: Start-Up**

The Start-Up stage of the implementation lays the foundation for services to be provided during the implementation project. Note that many of these activities began under the pre-planning activities that occurred during the vendor-selection process. However, as these will continue into the start of the ERP implementation phase, these activities are documented here as part of Start-Up and ongoing project management. The following primary activities will be performed during the project Start-Up stage:

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- **Project Planning/Mobilization** – ISG will assist the State’s project management in organizing and initiating the project infrastructure; coordinating project team membership; coordinating team logistics and facilities; and establishing and communicating the project governance structure.
- **Familiarization** – At the beginning of this type of project, the systems integrator typically submits certain documents (e.g., project charter, detailed project plan) that provide the foundation for all future project activities. ISG will evaluate each of these documents to ensure that they: (1) meet State and industry standards, (2) conform to the implementation services contract requirements, and (3) contain the content necessary for a successful project.
- **Project Plan** – ISG will closely review the detailed project plan developed by the implementation services firm and ensure that it conforms to the implementation services contract requirements. We will ensure the project plan displays start and end dates, and staff (State and consulting staff) assigned to each task, as well as dependent relationships among tasks. Project milestones, work products, and deliverables should also be included in the plan. We will ensure that the project plan is refined on an ongoing basis to reflect more detailed information as it becomes available and to track progress.
- **Gap Analysis** – Critical project management and reporting tools and techniques should be established during the Start-Up stage. ISG will perform a gap analysis to ensure that the proper project management processes and methodologies are in place to ensure a successful project implementation. Our review will address (but is not limited to) the following:
  - Project plan establishment and monitoring;
  - Issue management and resolution;
  - Risk management;
  - Change control;
  - Deliverable review and acceptance;
  - Status reporting;
  - Standard meeting commitments;
  - Roles and responsibilities;
  - Documentation standards and version control; and
  - Meeting protocol.



- **Work Product / Deliverable Development** – ISG will work jointly with the State project resources on all project deliverables for which the State is responsible or to provide input in accordance with the Statement of Work that supports the contract between the State and its systems integrator.
- **Project Management** – ISG will provide independent oversight and quality assurance for the duration of the project. Project management assistance includes (but is not limited to) the following activities:
  - Overseeing issue and problem resolution;
  - Monitoring project timelines and deadlines (including submission of deliverables) per the detailed project plan; all variances from the planned schedule will be researched and contingency plans will be established, where necessary, to ensure that the project remains on schedule;
  - Conducting periodic risk assessments and leading risk mitigation efforts;
  - Attending all project status meetings;
  - Reviewing monthly progress reports to project executive management;
  - Evaluating the quality and sufficiency of all project deliverables to ensure that they are of the highest quality and meet standards for deliverables per the response to the RFP;
  - Performing project milestone reviews;
  - Scrutinizing the quality of systems integrator performance;
  - Monitoring of systems integrator’s compliance with required specifications per the RFP, systems integrator’s response, and all other binding documents that support the project effort;
  - Monitoring contract specifics between systems integrator and the State (including enforcement of penalties when necessary);
  - Reviewing and analyzing all changes and updates to the systems integrator’s Detailed Project Plan, and making recommendations to the State Project Director as to acceptability, schedule and staffing impact, budgetary considerations, and the like;
  - Supporting the State’s project team;
  - Acting as mentors to the State’s module leads;
  - Attending and assessing the effectiveness of team training; and
  - Monitoring the project budget and plan.



- **Staff Augmentation** – ISG will provide a separate pool of resources to support ISG’s quality-assurance efforts on an as-needed basis as approved by the State. This pool might be accessed for the purposes of ensuring the quality of project activities such as testing, enterprise readiness (ER), organizational change management (OCM), etc.

**Anticipated Stage 1 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor’s deliverables

**Stage 2: System Design**

During this stage of the project, the systems integrator, together with the State project team members, will develop the “To-Be” business processes. ISG will participate on the key design teams and help to ensure a high-quality design. A critical task is to validate that all requirements are addressed by the design so that there are no costly changes after the software has been configured. System Design assistance includes (but is not limited to) the following activities:

- Support the State’s project team;
- Act as mentors to the module leads;
- Monitor coordination between functional, technical, and change management teams;
- Evaluate the quality and sufficiency of the deliverables identified in *Attachment 2 – Implementation Tasks, Services, Deliverables, and Milestones* of the Implementation Services contract with CGI (071B4300138);
- Anticipate problems and offer solutions;
- Validate the designed business processes within the context of the system requirements and project vision;
- Monitor the system design to ensure compliance with required specifications per the State’s procurement documents, the vendor’s response, and all other binding documents that support the project effort; and
- Take on additional assignments to meet deadlines, as necessary.

During this stage, we will review and provide feedback on the system integrator’s change management approach and strategy. Our oversight of change management will address (but not be limited to) the following activities:

- **Readiness assessment of end users** – ISG will review the tools that will be used to assess stakeholder and end-user readiness for the changes that will take place. This will be an



ongoing activity to gain a shared understanding of stakeholder and end user involvement, skepticism, and resistance to change. The readiness assessment will help project management and project team members to better understand the issues and challenges impacting stakeholders and future end users.

- **Leadership alignment and executive sponsorship** – In addition to the communications originating from the project team, it is essential that the State’s executive leadership be seen as champions for the new system and the benefits it will provide. The ISG team will examine the methods that are proposed to ensure that executive sponsorship is effectively communicated and that the State’s leadership actively takes responsibility for guiding their agencies through change. Strong leadership is necessary for employee “buy-in” to the changes that will be taking place and is best demonstrated through commitment and empowerment.
- **Training** – ISG will evaluate the various components of end-user training, including the curriculum, materials, instructors, techniques, facilities, and logistics to ensure that employees are properly educated and able to function effectively in their new roles.
- **Communications** – ISG will inspect State and systems integrator efforts in developing a comprehensive communications and change management plan for the project. The plan should include a comprehensive strategy for communicating with all impacted levels of State government.
- **Elimination of barriers to success** – ISG will tailor our oversight activities to emphasize the potential “hot spots” and to mitigate project risks. Additional change management activities to be completed during this stage include (but are not limited to) the following:
  - Monitoring actual progress against the communications and change management plan;
  - Reporting to project governance on plan success;
  - Evaluating the results of change readiness surveys; and
  - Reviewing communication documents.

#### **Anticipated Stage 2 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor’s deliverables



### Stage 3: Development

During this stage, the project team will configure the system to support the agreed-upon design. The ISG team will participate with State resources to obtain necessary knowledge transfer relating to the system configuration process and in monitoring and testing the results of technical development activities. Activities to be undertaken during this stage include (but are not limited to) the following:

- Support the State's project team;
- Act as mentors to the module leads;
- Monitor coordination between functional, technical, and central agency support teams;
- Review and evaluate the quality and sufficiency of the deliverables identified in *Attachment 2 – Implementation Tasks, Services, Deliverables, and Milestones* of the Implementation Services contract with CGI (071B4300138);
- Anticipate problems and offer solutions;
- Monitor construction of the new system to ensure that all requirements (functional and technical) are addressed;
- Perform oversight of change management activities such as:
  - Monitoring actual progress against the communications and change management plan,
  - Reporting to project governance on plan success,
  - Evaluating user department leadership alignment/sponsorship,
  - Assessing the effectiveness of ongoing communications with the user departments,
  - Identifying potential barriers to success,
  - Managing and coordinating departmental liaison activities,
  - Evaluating the various components of end-user training (including the curriculum, materials, instructors, techniques, facilities, and logistics),
  - Assessing role mapping activities,
  - Examining content for the project website,
  - Assisting State employees begin the transition into their new roles,
  - Reviewing presentation materials associated with change issues, and
  - Reviewing communication documents; and
- Take on additional assignments to meet deadlines, as necessary.

Once the system has been configured, ISG will assist in confirming that the system operates as designed, including its integration with State legacy systems that will remain. ISG will review the test plans, interview the State staff, and participate in system testing to help ensure that requirements are addressed and that stakeholder expectations are met.

#### **Anticipated Stage 3 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor's deliverables

#### **Stage 4: Deployment**

At this stage, the software construction will have been completed and accepted by the State, and the software will be in the process of being rolled-out to the end-user community, potentially including vendors (e.g., vendor self-service).

During this stage, ISG's assistance will include (but not be limited to):

- Review and evaluate the quality and sufficiency of the related deliverables identified in *Attachment 2 – Implementation Tasks, Services, Deliverables, and Milestones* of the Implementation Services contract with CGI (071B4300138);
- Evaluating the effectiveness of end-user training;
- Support the State's project team;
- Act as mentors to the module leads;
- Evaluating the assessment of the State's readiness to go-live with the new system and providing independent verification of its accuracy and completeness; and
- Reviewing new business processes for proper internal controls.

#### **Anticipated Stage 4 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor's deliverables

#### **Stage 5: Post Go-Live Support**

After go-live, ISG will support the State's post-implementation support team in resolving problems and in providing support to the user agencies and vendor community (where applicable). ISG will also assist with the effort to stabilize and eventually optimize the new business processes. Lastly, ISG will evaluate the quality and sufficiency of the final contract deliverables.

At the State's request, ISG may conduct a post-implementation review to recap project status, recommend action plans for the future, and document lessons learned.

#### **Anticipated Stage 5 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor's deliverables

## **PROJECT MANAGEMENT AND STAFFING**

ISG will report on the work performed under this task order during regularly scheduled status meetings. ISG will also be available to participate in executive briefings or provide supporting materials for State communications with executives and stakeholders.

David Boyd will continue to serve as ISG's Project Manager and will be responsible for overseeing ISG's performance and compliance with responsibilities under this TO. Stephen Zeeck, Abe Meer, John Natteford, John Kohls, and Willo Laurel will serve as ERP consultants and will assist with the delivery of IV&V/QA and staff augmentation services. Kirk Teal will serve as the Engagement Partner and will oversee the delivery of all ISG services. Venkata (Murty) Nauduri will be added to the ISG project team to serve as a Testing Manager. Additional ISG resources may be used to provide specific skill sets needed during the implementation phase, in order to accomplish requested tasks and/or meet timeline objectives.

## **TERM OF THIS AGREEMENT**

This Task Order Agreement shall be in effect from October 1, 2015 through December 31, 2018, unless extended or amended by mutual agreement of both parties.

## **KEY ASSUMPTIONS**

During every consecutive 12-month period in which an ISG consultant works for the State on a full-time basis, the consultant will be permitted to work off-site for 4 consecutive weeks. ISG will work with the State to identify the best time for the ISG consultant to work off-site. The ISG Project Manager will work with the State ERP Project Director to determine those areas of focus that best serve the State and the needs of the Project.

## **COMPENSATION**

ISG will provide assistance to the State with the task identified in the statement of work via individual monthly releases against a TO. The Ad Board approved a change in the amount of

\$2,839,920. Task order #6, in the amount of \$2,002,840, reduced the remaining balance to \$837,080. The amount of this task order is \$837,080 which reduces the remaining unallocated budget to \$0.

Approximately two (2) weeks prior to the beginning of a month that does not have an approved release for the work to be performed during that month, ISG will submit a Release Document for the upcoming month or quarter to the State Project Director. If the Release Document is accepted by the State, ISG will perform the tasks described in the Release Document. At the end of each month, ISG will: (1) produce a report that provides the status of the tasks described in the Release Document, and (2) submit an invoice to the State for the work performed during that month. The report will include the following items:

- The number of hours delivered during the past month and the cumulative total to date for the project.
- A statement as to whether the remaining hours in the project budget are sufficient to complete the project.
- The projected month and year that the project will exhaust funding.
- Identification of the tasks worked on and what was completed during the current reporting period.
- The amount of funds expended during the current reporting period and the cumulative total to date for the project.

The State will review the status report and, upon acceptance of report, approve the ISG invoice for payment and remit payment within 45 days of invoice receipt. The actual hours worked will vary and will be included in the monthly invoice.

Consulting fees are: (1) inclusive of all travel and out-of-pocket expenses, (2) in accordance with the Contract, and (3) provided by resource.

Should ISG staff be required to travel from Lansing to another location on State business, then the State will consider reimbursing ISG for any travel expenses. Any State-approved travel expenses must be allowable per the State's travel guide.



Role - Name	TIME FRAME		
	2/16 - 09/16	10/16 - 09/17	10/17 - 09/18
	Option Period 1 Firm Fixed Hourly Rate	Option Period 2 Firm Fixed Hourly Rate	Option Period 3 Firm Fixed Hourly Rate
Consultant - Venkata Nauduri	\$ 200	\$ 205	\$ 210
	Option Period 1 Hours	Option Period 2 Hours	Option Period 3 Hours
Consultant - Venkata Nauduri	1016.75	1984	1081
	Option Period 1 Estimated Fee	Option Period 2 Estimated Fee	Option Period 3 Hours / Month
Consultant - Venkata Nauduri	\$ 203,350	\$ 406,720	\$ 227,010
Estimated Total By Period	\$ 203,350	\$ 406,720	\$ 227,010
Estimated Total			\$ 837,080



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

**CHANGE NOTICE NO. 4**  
 to  
**CONTRACT NO. 071B3200088**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
International Consulting Acquisition Corporation dba ISG Public Sector  4807 Spicewood Springs Rd Bldg. #2, Suite 105  Austin, TX 78759	Kirk Teal	kirk.teal@isg-one.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(512) 231-9212	6530

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Lisa Evani	(517) 284-7586	evanil@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Simon Baldwin	(517) 284-6997	baldwins@michigan.gov

CONTRACT SUMMARY			
<b>DESCRIPTION:</b> ERP Consulting Services			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
April 1, 2013	March 31, 2016	(5) 1-Year Options	September 30, 2017
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	15 Months	<input type="checkbox"/>	N/A	December 31, 2018
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$6,856,720.00		\$0.00	\$6,856,720.00	

**DESCRIPTION:** Effective October 27, 2015, this Contract hereby exercises a 15 month option and \$2,839,920.00 has been submitted for State Administrative Board approval. Additional resources will be added per DTMB Procurement approved Statement of Work(s). Please note, the Contract Administrator has been changed to Simon Baldwin. All other terms, conditions, specifications and pricing remain the same, per Contractor and Agency agreement, DTMB Procurement approval, and State Administrative Board approval on October 27, 2015.  
 Available Ad Board Dollars remaining after this Change Notice: \$2,839,920.00

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

**CHANGE NOTICE NO. 3**  
 to  
**CONTRACT NO. 071B3200088**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
International Consulting Acquisition Corporation dba ISG Public Sector 4807 Spicewood Springs Rd Bldg. #2, Suite 105 Austin, TX 78759	Kirk Teal	Kirk.teal@isg-one.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	512-231-9212	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Lisa Evani	517-373-1840	evanil@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-284-7030	<a href="mailto:zukerw@michigan.gov">zukerw@michigan.gov</a>

CONTRACT SUMMARY:			
DESCRIPTION <b>ERP Consulting Services</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
April 1, 2013	March 31, 2016	5 one year	March 31, 2016
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45	Shipment	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MIDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		Sept. 30, 2017
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$0.00		\$6,856,720.00		

Effective December 1, 2014, the contract is amended to add the services described in the attached Statement of Work (SOW) dated 11/6/2014 and ISG Proposal dated 11/11/2014 (Task Order Agreement No. 4). This is a zero-dollar amendment, utilizing \$327,600.00 from existing funding to add one (1) ERP Consultant to perform the services described above for the period 10/2014 – 09/2015. Task Order Agreement No. 4 also contains pricing for the named resource through 09/2017, which the State may utilize if it so opts in a future Change Notice.

All other pricing, terms and conditions remain the same. Per vendor and agency agreement and DTMB Procurement approval.

Remaining contract value: \$218,273.00



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

<b>Project Title:</b> ERP Implementation Project	<b>Period of Coverage:</b> 7/1/14 – 9/30/17
<b>Requesting Department:</b> DTMB/SBO/OFM	<b>Date:</b> 11/6/2014
<b>Agency Project Manager:</b> Ruth Schwartz	<b>Phone:</b> (517) 284-7585
<b>DTMB Project Manager:</b> Lisa Evani	<b>Phone:</b> (517) 284-7586

**Brief Description of Services to be provided:**

**BACKGROUND:**

Per the Contract, ISG will provide consulting services for the ERP Implementation Project, and these services will be provided in a series of phases. ISG's work within each phase will be documented and authorized by a Statement of Work, which will consist of specific task assignments, milestones, and deliverables to be completed over a designated timeline. ISG will coordinate all of its work with the State project team.

**PROJECT OBJECTIVE:**

The services requested under this Statement of Work are referenced in the Contract under section 1.101 C. Independent Verification and Validation and relate to providing quality assurance on the major project deliverables identified in Attachment E – Implementation Services Tasks Deliverables and Milestones of the Enterprise Resource Planning System (ERP) – 084R4300001 RFP.

**SCOPE OF WORK:**

This Statement of Work is requesting the addition of one (1) ERP Consultant to perform the tasks defined in Task Order Agreement #4. (The tasks have been copied below for reference.)

In an Independent Verification and Validation/Quality Assurance (IV&V/QA) role, the State is requesting ISG to provide subject matter expertise, as well as detailed review and feedback on project management, change management, and implementation services on an ongoing basis. The State is requesting IV&V/QA services to assist the State project team in achieving the expected benefits and in meeting the documented requirements.

Following is a list of phases/activities expected during each stage of the ERP implementation. The execution of project activities may be prioritized to reflect the actual issues experienced by the project or prioritized on the basis of perceived risk associated with implementation activities:

- **Stage 1: Start-Up**
  - Project Planning/Mobilization Assistance
  - Project Familiarization Assistance
  - Project Plan Review
  - Gap Analysis Review
  - Work Product / Deliverable Review
  - Project Management Monitoring
  - Staff Augmentation
  - Evaluate the quality and sufficiency of the deliverables
  - Support the State's project team



- Act as mentors to the module leads
- **Stage 2: System Design**
  - Readiness assessment of end users
  - Leadership alignment and executive sponsorship
  - Training Support
  - Communications Assistance
  - Elimination of barriers to success
  - Evaluate the quality and sufficiency of the deliverables
  - Support the State's project team
  - Act as mentors to the module leads
- **Stage 3: Development**
  - Evaluate the quality and sufficiency of the deliverables
  - Support the State's project team
  - Act as mentors to the module leads
- **Stage 4: Deployment**
  - Evaluate the quality and sufficiency of the deliverables
  - Support the State's project team
  - Act as mentors to the module leads
- **Stage 5: Post Go-Live Support**
  - Evaluate the quality and sufficiency of the deliverables
  - Support the State's project team
  - Act as mentors to the module leads

#### **DELIVERABLES:**

This Statement of Work will be compensated through quarterly releases against a fixed price. The fixed price will be based on an estimate of effort required in combination with rates not to exceed the rate card outlined in the contract.

#### **PROJECT CONTROL AND REPORTS:**

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

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

#### **SPECIFIC DEPARTMENT STANDARDS:**

N/A – All standards have been defined within the contract.

#### **PAYMENT SCHEDULE:**

Payment will be made on a quarterly release against the fixed price identified in ISG's response to this Statement of Work. DTMB will pay CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than quarterly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices

should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense.

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

**EXPENSES:**

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

**PROJECT CONTACTS:**

The Agency Project Manager is:

Ruth Schwartz  
Department of Technology, Management and Budget  
State Budget Office  
201 N. Washington Square  
Lansing, MI 48913  
Phone: (517) 284-7585  
E-Mail: SchwartzR1@michigan.gov

The DTMB Project Manager is:

Lisa Evani  
Department of Technology, Management and Budget  
Customer Services supporting DTMB and MCSC  
201 N. Washington Square  
Lansing, MI 48913  
Phone: (517) 284-7586  
E-mail: EvaniL@michigan.gov

**AGENCY RESPONSIBILITIES:**

- DTMB and SBO will coordinate to provide direction to vendor staff in regards to work effort and priorities.
- STATE will provide telephone access for project-related calls originating from within the State's office.
- STATE will provide copying equipment for project-related documents.
- STATE will provide access to Facsimile equipment for items that are project related.
- STATE will provide computer hardware and software for consultants, *as deemed necessary*.

**LOCATION OF WHERE THE WORK IS TO BE PERFORMED:**

Consultants will work in Lansing, Michigan.



**ISG**  
INFORMATION  
SERVICES  
GROUP



## **Proposal to State of Michigan Department of Technology, Management and Budget Procurement**

For Independent Verification and Validation Services

→ Presented by:

**Information Services Group, Inc.  
Public Sector**

Date: November 11, 2014



November 11, 2014

Ms. Ruth Schwartz  
Project Director  
Department of Technology, Management and Budget  
Victor Building, 7th Floor  
201 North Washington Square  
Lansing, Michigan 48933

Dear Ms. Schwartz:

International Consulting Acquisition Corp. (ICAC), a wholly owned subsidiary of Information Services Group, Inc. (ISG), doing business as ISG Public Sector (formerly STA Consulting), is pleased to submit this proposal to the State of Michigan (herein referred to as the State) Department of Technology, Management and Budget.

During our 17-year history, ISG/STA has participated in statewide ERP engagements for 16 states, excluding the assistance we have provided thus far to the State with its ERP initiative. In addition to the State of Michigan, we are currently providing ERP advisory services for five (5) states: Alaska, Arizona, Mississippi, Texas, and West Virginia. Additional comparable engagements have been completed for the States of Arkansas, Kansas, Kentucky, Louisiana, Nevada, and Tennessee. Given our statewide ERP experience, we believe that we are uniquely positioned to provide the State with the *best value* for its investment.

Most importantly, we maintain our independence with regard to all software providers and implementation services vendors. Unlike most of our competitors, we are not implementation partners (formal or informal) of ERP software providers, nor do we market any software or hardware products. We are truly independent in fact and appearance.

Our expertise in providing the services requested by the State is best evidenced by the fact that ISG/STA has been selected for all but one statewide ERP project for which we submitted a proposal since June 2002.

We look forward to the opportunity to continue to serve the State on this important project. Please let me know if you have any questions or require additional information regarding our proposal. I can be reached at my cell phone, (512) 630-5689, or at my e-mail address, [kirk.teal@isg-one.com](mailto:kirk.teal@isg-one.com).

Sincerely,

Kirk Teal  
Partner

This proposal is submitted in response to DTMB's statement of work for independent validation and verification (IV&V) services.

## BACKGROUND

ISG is currently providing consulting services for the MAIN ERP Replacement Project, and these services are being provided in a series of phases. ISG's work within each phase has been and will continue to be documented and authorized by a Task Order Agreement (TO), which will consist of specific tasks and assignments over a designated timeline. ISG will coordinate all of its work with the State project team.

The initial scope of work under the Contract included the following major deliverables, work products, and tools:

- ERP Strategy Document
- Governance Structure Document
- Business Requirements
- DecisionDirector (DD) Collaboration Tool
- Funding Plan Documentation
- Update Business Case Analysis Documentation
- Evaluation Guide
- Demonstration Scripts
- Request for Proposal

## SCOPE OF WORK

As a continuation of ISG's assistance to the State under the Contract to support the MAIN Replacement Project, ISG is currently providing Independent Verification and Validation/Quality Assurance (IV&V/QA) services under task order (TO) No. 3.

The services included in this proposal are in response to the statement of work issued by DTMB.

We propose adding a consultant to our team to provide IV&V/QA services under TO No. 4. As with TO No. 3, these services will be delivered in accordance with ISG's ERP Implementation Oversight and Quality Assurance Methodology, which is described below. Note that this is the same description included in TO No. 3 and is provided herein for reference.

### ***ISG's ERP Implementation Oversight and Quality Assurance Methodology***

In an Independent Verification and Validation/Quality Assurance (IV&V/QA) role, ISG will provide subject matter expertise, as well as detailed review and feedback on project management, change management, and implementation services on an ongoing basis. ISG's IV&V/QA services will assist the State project team in achieving the expected benefits and in meeting the documented requirements.

ISG utilizes its proven methodology that has helped numerous public sector clients successfully implement large-scale, enterprise-wide package software. Our approach is designed to function in tandem with the typical staging of project activities in major systems integrators' ERP implementation methodologies. The diagram below indicates the organization of our project oversight activities into generic implementation stages.



Following are descriptions of the activities performed during each stage of the ERP implementation. The execution of project activities will be prioritized to reflect the actual issues experienced by the project or prioritized on the basis of perceived risk associated with implementation activities.

### **Stage 1: Start-Up**

The Start-Up stage of the implementation lays the foundation for services to be provided during the implementation project. Note that many of these activities began under the pre-planning activities that occurred during the vendor-selection process. However, as these will continue into the start of the ERP implementation phase, these activities are documented here as part of Start-Up and ongoing project management. The following primary activities will be performed during the project Start-Up stage:

- **Project Planning/Mobilization** – ISG will assist the State's project management in organizing and initiating the project infrastructure; coordinating project team membership; coordinating team logistics and facilities; and establishing and communicating the project governance structure.
- **Familiarization** – At the beginning of this type of project, the systems integrator typically submits certain documents (e.g., project charter, detailed project plan) that provide the foundation for all future project activities. ISG will evaluate each of these documents to ensure that they: (1) meet State and industry standards, (2) conform to the implementation services contract requirements, and (3) contain the content necessary for a successful project.
- **Project Plan** – ISG will closely review the detailed project plan developed by the implementation services firm and ensure that it conforms to the implementation services contract requirements. We will ensure the project plan displays start and end dates, and staff (State and consulting staff) assigned to each task, as well as dependent relationships among tasks. Project milestones, work products, and deliverables should also be included in the plan. We will ensure that the project plan is refined on an ongoing basis to reflect more detailed information as it becomes available and to track progress.
- **Gap Analysis** – Critical project management and reporting tools and techniques should be established during the Start-Up stage. ISG will perform a gap analysis to ensure that the proper project management processes and methodologies are in place to ensure a

successful project implementation. Our review will address (but is not limited to) the following:

- Project plan establishment and monitoring;
  - Issue management and resolution;
  - Risk management;
  - Change control;
  - Deliverable review and acceptance;
  - Status reporting;
  - Standard meeting commitments;
  - Roles and responsibilities;
  - Documentation standards and version control; and
  - Meeting protocol.
- **Work Product / Deliverable Development** – ISG will work jointly with the State project resources on all project deliverables for which the State is responsible or to provide input in accordance with the Statement of Work that supports the contract between the State and its systems integrator.
  - **Project Management** – ISG will provide independent oversight and quality assurance for the duration of the project. Project management assistance includes (but is not limited to) the following activities:
    - Overseeing issue and problem resolution;
    - Monitoring project timelines and deadlines (including submission of deliverables) per the detailed project plan; all variances from the planned schedule will be researched and contingency plans will be established, where necessary, to ensure that the project remains on schedule;
    - Conducting periodic risk assessments and leading risk mitigation efforts;
    - Attending all project status meetings;
    - Reviewing monthly progress reports to project executive management;
    - Evaluating the quality and sufficiency of all project deliverables to ensure that they are of the highest quality and meet standards for deliverables per the response to the RFP;
    - Performing project milestone reviews;
    - Scrutinizing the quality of systems integrator performance;
    - Monitoring of systems integrator's compliance with required specifications per the RFP, systems integrator's response, and all other binding documents that support the project effort;
    - Monitoring contract specifics between systems integrator and the State (including enforcement of penalties when necessary);

- Reviewing and analyzing all changes and updates to the systems integrator’s Detailed Project Plan, and making recommendations to the State Project Director as to acceptability, schedule and staffing impact, budgetary considerations, and the like;
  - Supporting the State’s project team;
  - Acting as mentors to the State’s module leads;
  - Attending and assessing the effectiveness of team training; and
  - Monitoring the project budget and plan.
- **Staff Augmentation** – ISG will provide a separate pool of resources to support ISG’s quality-assurance efforts on an as-needed basis as approved by the State. This pool might be accessed for the purposes of ensuring the quality of project activities such as testing, enterprise readiness (ER), organizational change management (OCM), etc.

#### **Anticipated Stage 1 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor’s deliverables

#### **Stage 2: System Design**

During this stage of the project, the systems integrator, together with the State project team members, will develop the “To-Be” business processes. ISG will participate on the key design teams and help to ensure a high-quality design. A critical task is to validate that all requirements are addressed by the design so that there are no costly changes after the software has been configured. System Design assistance includes (but is not limited to) the following activities:

- Support the State’s project team;
- Act as mentors to the module leads;
- Monitor coordination between functional, technical, and change management teams;
- Evaluate the quality and sufficiency of the deliverables identified in *Attachment 2 – Implementation Tasks, Services, Deliverables, and Milestones* of the Implementation Services contract with CGI (071B4300138);
- Anticipate problems and offer solutions;
- Validate the designed business processes within the context of the system requirements and project vision;
- Monitor the system design to ensure compliance with required specifications per the State’s procurement documents, the vendor’s response, and all other binding documents that support the project effort; and
- Take on additional assignments to meet deadlines, as necessary.

During this stage, we will review and provide feedback on the system integrator’s change management approach and strategy. Our oversight of change management will address (but not be limited to) the following activities:



- **Readiness assessment of end users** – ISG will review the tools that will be used to assess stakeholder and end-user readiness for the changes that will take place. This will be an ongoing activity to gain a shared understanding of stakeholder and end user involvement, skepticism, and resistance to change. The readiness assessment will help project management and project team members to better understand the issues and challenges impacting stakeholders and future end users.
- **Leadership alignment and executive sponsorship** – In addition to the communications originating from the project team, it is essential that the State’s executive leadership be seen as champions for the new system and the benefits it will provide. The ISG team will examine the methods that are proposed to ensure that executive sponsorship is effectively communicated and that the State’s leadership actively takes responsibility for guiding their agencies through change. Strong leadership is necessary for employee “buy-in” to the changes that will be taking place and is best demonstrated through commitment and empowerment.
- **Training** – ISG will evaluate the various components of end-user training, including the curriculum, materials, instructors, techniques, facilities, and logistics to ensure that employees are properly educated and able to function effectively in their new roles.
- **Communications** – ISG will inspect State and systems integrator efforts in developing a comprehensive communications and change management plan for the project. The plan should include a comprehensive strategy for communicating with all impacted levels of State government.
- **Elimination of barriers to success** – ISG will tailor our oversight activities to emphasize the potential “hot spots” and to mitigate project risks. Additional change management activities to be completed during this stage include (but are not limited to) the following:
  - Monitoring actual progress against the communications and change management plan;
  - Reporting to project governance on plan success;
  - Evaluating the results of change readiness surveys; and
  - Reviewing communication documents.

#### **Anticipated Stage 2 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor’s deliverables

#### **Stage 3: Development**

During this stage, the project team will configure the system to support the agreed-upon design. The ISG team will participate with State resources to obtain necessary knowledge transfer relating to the system configuration process and in monitoring and testing the results of technical development activities. Activities to be undertaken during this stage include (but are not limited to) the following:

- Support the State’s project team;

- Act as mentors to the module leads;
- Monitor coordination between functional, technical, and central agency support teams;
- Review and evaluate the quality and sufficiency of the deliverables identified in *Attachment 2 – Implementation Tasks, Services, Deliverables, and Milestones* of the Implementation Services contract with CGI (071B4300138);
- Anticipate problems and offer solutions;
- Monitor construction of the new system to ensure that all requirements (functional and technical) are addressed;
- Perform oversight of change management activities such as:
  - Monitoring actual progress against the communications and change management plan,
  - Reporting to project governance on plan success,
  - Evaluating user department leadership alignment/sponsorship,
  - Assessing the effectiveness of ongoing communications with the user departments,
  - Identifying potential barriers to success,
  - Managing and coordinating departmental liaison activities,
  - Evaluating the various components of end-user training (including the curriculum, materials, instructors, techniques, facilities, and logistics),
  - Assessing role mapping activities,
  - Examining content for the project website,
  - Assisting State employees begin the transition into their new roles,
  - Reviewing presentation materials associated with change issues, and
  - Reviewing communication documents; and
- Take on additional assignments to meet deadlines, as necessary.

Once the system has been configured, ISG will assist in confirming that the system operates as designed, including its integration with State legacy systems that will remain. ISG will review the test plans, interview the State staff, and participate in system testing to help ensure that requirements are addressed and that stakeholder expectations are met.

#### **Anticipated Stage 3 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor's deliverables

#### **Stage 4: Deployment**

At this stage, the software construction will have been completed and accepted by the State, and the software will be in the process of being rolled-out to the end-user community, potentially including vendors (e.g., vendor self-service).

During this stage, ISG's assistance will include (but not be limited to):

- Review and evaluate the quality and sufficiency of the related deliverables identified in *Attachment 2 – Implementation Tasks, Services, Deliverables, and Milestones* of the Implementation Services contract with CGI (071B4300138);
- Evaluating the effectiveness of end-user training;
- Support the State's project team;
- Act as mentors to the module leads;
- Evaluating the assessment of the State's readiness to go-live with the new system and providing independent verification of its accuracy and completeness; and
- Reviewing new business processes for proper internal controls.

**Anticipated Stage 4 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor's deliverables

**Stage 5: Post Go-Live Support**

After go-live, ISG will support the State's post-implementation support team in resolving problems and in providing support to the user agencies and vendor community (where applicable). ISG will also assist with the effort to stabilize and eventually optimize the new business processes. Lastly, ISG will evaluate the quality and sufficiency of the final contract deliverables.

At the State's request, ISG may conduct a post-implementation review to recap project status, recommend action plans for the future, and document lessons learned.

**Anticipated Stage 5 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor's deliverables

## **PROJECT MANAGEMENT AND STAFFING**

ISG will report on the work performed under TO No. 4 during regularly scheduled status meetings. ISG will also be available to participate in executive briefings or provide supporting materials for State communications with executives and stakeholders.

David Boyd will continue to serve as ISG's Project Manager and will be responsible for overseeing ISG's performance and compliance with responsibilities under this TO. Stephen Zeeck will serve as a consultant and will assist with the delivery of IV&V/QA services. Kirk Teal will serve as the Engagement Partner and will oversee the delivery of IV&V/QA services. Additional resources will be used to provide specific skill sets needed for the software that is selected, in order to accomplish requested tasks or meet timeline objectives.

## **TERM OF THIS AGREEMENT**

This Task Order Agreement shall be in effect from November 11, 2014 through September 30, 2017, unless extended or amended by mutual agreement of both parties.

## **KEY ASSUMPTIONS**

During every consecutive 12-month period in which an ISG consultant works for the State on a full-time basis, the consultant will be permitted to work off-site for 4 consecutive weeks. ISG will work with the State to identify the best time for the ISG consultant to work off-site. The ISG Project Manager will work with the State ERP Project Director to determine those areas of focus that best serve the State and the needs of the Project.

## **COMPENSATION**

ISG will provide assistance to the State with the task identified in the statement of work via individual monthly releases against a TO. Only Stephen Zeeck's services will be invoiced under this TO. Approximately two (2) weeks prior to the beginning of a month that does not have an approved release for the work to be performed during that month, ISG will submit a Release Document for the upcoming month or quarter to the State Project Director. If the Release Document is accepted by the State, ISG will perform the tasks described in the Release Document. At the end of each month, ISG will: (1) produce a report that provides the status of the tasks described in the Release Document, and (2) submit an invoice to the State for the work performed during that month. The report will include the following items:

- The number of hours expended during the past month, and the cumulative total to date for the project.
- A statement as to whether the remaining hours in the project budget are sufficient to complete the project.
- Identification of the tasks worked on and what was completed during the current reporting period.
- The amount of funds expended during the current reporting period, and the cumulative total to date for the project.

The State will review the status report and, upon acceptance of report, approve the ISG invoice for payment and remit payment within 45 days of invoice receipt. The actual hours worked will vary and will be included in the monthly invoice.

Consulting fees are: (1) inclusive of all travel and out-of-pocket expenses, (2) in accordance with the Contract, and (3) estimated by resource, as summarized in the table below.

Should ISG staff be required to travel from Lansing to another location on State business, then the State will consider reimbursing ISG for any travel expenses. Any State approved travel expenses must be allowable per the State's travel guide.

POSITION TYPE	TIME FRAME		
	10/14 - 09/15	10/15 - 09/16	10/16 - 09/17
	Option Period 2 Firm Fixed Hourly Rate	Option Period 3 Firm Fixed Hourly Rate	Option Period 4 Firm Fixed Hourly Rate
1. ERP Consultant 3	\$ 195	\$ 200	\$ 205

	Option Period 2 Hours / Month	Option Period 3 Hours / Month	Option Period 4 Hours / Month
1. ERP Consultant 3	168	168	168
# of Months in Period	10	12	12

	Option Period 2 Estimated Fee	Option Period 3 Estimated Fee	Option Period 4 Estimated Fee
1. ERP Consultant 3	\$ 327,600	\$ 403,200	\$ 413,280
Total for All Periods			\$ 1,144,080

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

**CHANGE NOTICE NO. 2**  
to  
**CONTRACT NO. 071B3200088**  
between  
**THE STATE OF MICHIGAN**  
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
International Consulting Acquisition Corporation dba ISG Public Sector 4807 Spicewood Springs Rd Bldg. #2, Suite 105 Austin, TX 78759	Kirk Teal	Kirk.teal@isg-one.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	512-231-9212	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Lisa Evani	517-373-1840	evanil@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-284-7030	<a href="mailto:zukerw@michigan.gov">zukerw@michigan.gov</a>

CONTRACT SUMMARY:				
DESCRIPTION <b>ERP Consulting Services</b>				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
April 1, 2013	March 31, 2016	5 one year	March 31, 2016	
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM	
Net 45	Shipment	N/A	N/A	
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MIDEAL PARTICIPANTS	
<input type="checkbox"/> P-card	<input type="checkbox"/> Direct Voucher (DV)	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:				
N/A				

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>	6 months	Sept. 30, 2017
VALUE/COST OF CHANGE NOTICE:			ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	
\$4,356,720.00			\$6,856,720.00	
Effective July 29, 2014, the contract is amended to add the services described in the attached Task Order Agreement No. 3. This Contract is hereby increased by \$4,356,720.00 to provide Independent Verification and Validation Services per Section 1.104 C of this Contract to support needed subject matter expertise, as well as detailed review and feedback on project management, change management, and implementation services on an ongoing basis.				
Because of the long term commitment required by the Contractor to support the MAIN ERP Replacement Project, it is being requested that this Contract utilizes 1½ years of the five (5) additional one (1) year periods per section 2.002 of the Contract. New Contract end date is September 30, 2017.				

See Statement of Work attached.

All other pricing, terms and conditions remain the same. Per vendor and agency agreement, DTMB Procurement approval and the approval of the State Administrative Board on 7/29/14.



**ISG**  
INFORMATION  
SERVICES  
GROUP



## **Proposal to State of Michigan Department of Technology, Management and Budget Procurement**

For Independent Verification and Validation Services

→ Presented by:

**Information Services Group, Inc.  
Public Sector**

Date: June 16, 2014

June 16, 2014

Ms. Ruth Schwartz  
Project Director  
Department of Technology, Management and Budget  
Victor Building, 7th Floor  
201 North Washington Square  
Lansing, Michigan 48933

Dear Ms. Schwartz:

International Consulting Acquisition Corp. (ICAC), a wholly owned subsidiary of Information Services Group, Inc. (ISG), doing business as ISG Public Sector (formerly STA Consulting), is pleased to submit this proposal to the State of Michigan (herein referred to as the State) Department of Technology, Management and Budget.

During our 17-year history, ISG/STA has participated in statewide ERP engagements for 16 states, excluding the assistance we have provided thus far to the State with its ERP initiative. In addition to the State of Michigan, we are currently providing ERP advisory services for five (5) states: Alaska, Arizona, Mississippi, Texas, and West Virginia. Additional comparable engagements have been completed for the States of Arkansas, Kansas, Kentucky, Louisiana, Nevada, and Tennessee. Given our statewide ERP experience, we believe that we are uniquely positioned to provide the State with the *best value* for its investment.

Most importantly, we maintain our independence with regard to all software providers and implementation services vendors. Unlike most of our competitors, we are not implementation partners (formal or informal) of ERP software providers, nor do we market any software or hardware products. We are truly independent in fact and appearance.

Our expertise in providing the services requested by the State is best evidenced by the fact that ISG/STA has been selected for all but one statewide ERP project for which we submitted a proposal since June 2002.

We look forward to the opportunity to continue to serve the State on this important project. Please let me know if you have any questions or require additional information regarding our proposal. I can be reached at my cell phone, (512) 630-5689, or at my e-mail address, [kirk.teal@isg-one.com](mailto:kirk.teal@isg-one.com).

Sincerely,

Kirk Teal  
Partner



This proposal is submitted in response to DTMB's statement of work for independent validation and verification (IV&V) services.

## **BACKGROUND**

ISG is currently providing consulting services for the MAIN ERP Replacement Project, and these services are being provided in a series of phases. ISG's work within each phase has been and will continue to be documented and authorized by a Task Order Agreement (TO), which will consist of specific tasks and assignments over a designated timeline. ISG will coordinate all of its work with the State project team.

The initial scope of work under the Contract included the following major deliverables, work products, and tools:

- ERP Strategy Document
- Governance Structure Document
- Business Requirements
- DecisionDirector (DD) Collaboration Tool
- Funding Plan Documentation
- Update Business Case Analysis Documentation
- Evaluation Guide
- Demonstration Scripts
- Request for Proposal

## **SCOPE OF WORK**

As a continuation of ISG's assistance to the State under the Contract to support the MAIN Replacement Project, ISG is currently providing assistance with the ERP proposal evaluation process under task order (TO) No. 2.

The services included in this proposal are in response to the statement of work issued by DTMB.

We propose to provide our assistance under TO No. 3 in accordance with ISG's ERP Implementation Oversight and Quality Assurance Methodology, which is described below.

### ***ISG's ERP Implementation Oversight and Quality Assurance Methodology***

In an Independent Verification and Validation/Quality Assurance (IV&V/QA) role, ISG will provide subject matter expertise, as well as detailed review and feedback on project management, change management, and implementation services on an ongoing basis. ISG's IV&V/QA services will assist the State project team in achieving the expected benefits and in meeting the documented requirements.

ISG utilizes its proven methodology that has helped numerous public sector clients successfully implement large-scale, enterprise-wide package software. Our approach is designed to function in tandem with the typical staging of project activities in major systems integrators' ERP implementation methodologies. The diagram below indicates the organization of our project oversight activities into generic implementation stages.

## ISG's ERP Implementation Oversight and Quality Assurance Methodology



Following are descriptions of the activities performed during each stage of the ERP implementation. The execution of project activities will be prioritized to reflect the actual issues experienced by the project or prioritized on the basis of perceived risk associated with implementation activities.

### Stage 1: Start-Up

The Start-Up stage of the implementation lays the foundation for services to be provided during the implementation project. Note that many of these activities began under the pre-planning activities that occurred during the vendor-selection process. However, as these will continue into the start of the ERP implementation phase, these activities are documented here as part of Start-Up and ongoing project management. The following primary activities will be performed during the project Start-Up stage:

- **Project Planning/Mobilization** – ISG will assist the State’s project management in organizing and initiating the project infrastructure; coordinating project team membership; coordinating team logistics and facilities; and establishing and communicating the project governance structure.
- **Familiarization** – At the beginning of this type of project, the systems integrator typically submits certain documents (e.g., project charter, detailed project plan) that provide the foundation for all future project activities. ISG will evaluate each of these documents to ensure that they: (1) meet State and industry standards, (2) conform to the implementation services contract requirements, and (3) contain the content necessary for a successful project.
- **Project Plan** – ISG will closely review the detailed project plan developed by the implementation services firm and ensure that it conforms to the implementation services contract requirements. We will ensure the project plan displays start and end dates, and staff (State and consulting staff) assigned to each task, as well as dependent relationships among tasks. Project milestones, work products, and deliverables should also be included in the plan. We will ensure that the project plan is refined on an ongoing basis to reflect more detailed information as it becomes available and to track progress.
- **Gap Analysis** – Critical project management and reporting tools and techniques should be established during the Start-Up stage. ISG will perform a gap analysis to ensure that the proper project management processes and methodologies are in place to ensure a successful project implementation. Our review will address (but is not limited to) the following:
  - Project plan establishment and monitoring;
  - Issue management and resolution;
  - Risk management;
  - Change control;
  - Deliverable review and acceptance;
  - Status reporting;
  - Standard meeting commitments;

- Roles and responsibilities;
- Documentation standards and version control; and
- Meeting protocol.
- **Work Product / Deliverable Development** – ISG will work jointly with the State project resources on all project deliverables for which the State is responsible or to provide input in accordance with the Statement of Work that supports the contract between the State and its systems integrator.
- **Project Management** – ISG will provide independent oversight and quality assurance for the duration of the project. Project management assistance includes (but is not limited to) the following activities:
  - Overseeing issue and problem resolution;
  - Monitoring project timelines and deadlines (including submission of deliverables) per the detailed project plan; all variances from the planned schedule will be researched and contingency plans will be established, where necessary, to ensure that the project remains on schedule;
  - Conducting periodic risk assessments and leading risk mitigation efforts;
  - Attending all project status meetings;
  - Reviewing monthly progress reports to project executive management;
  - Evaluating the quality and sufficiency of all project deliverables to ensure that they are of the highest quality and meet standards for deliverables per the response to the RFP;
  - Performing project milestone reviews;
  - Scrutinizing the quality of systems integrator performance;
  - Monitoring of systems integrator’s compliance with required specifications per the RFP, systems integrator’s response, and all other binding documents that support the project effort;
  - Monitoring contract specifics between systems integrator and the State (including enforcement of penalties when necessary);
  - Reviewing and analyzing all changes and updates to the systems integrator’s Detailed Project Plan, and making recommendations to the State Project Director as to acceptability, schedule and staffing impact, budgetary considerations, and the like;
  - Supporting the State’s project team;
  - Acting as mentors to the State’s module leads;
  - Attending and assessing the effectiveness of team training; and
  - Monitoring the project budget and plan.
- **Staff Augmentation** – ISG will provide a separate pool of resources to support ISG’s quality-assurance efforts on an as-needed basis as approved by the State. This pool might be accessed for the purposes of ensuring the quality of project activities such as testing, enterprise readiness (ER), organizational change management (OCM), etc.

**Anticipated Stage 1 Deliverables:**

- Monthly Status and Planning reports

- Evaluation report(s) regarding the quality and sufficiency of the integration contractor's deliverables

## Stage 2: System Design

During this stage of the project, the systems integrator, together with the State project team members, will develop the "To-Be" business processes. ISG will participate on the key design teams and help to ensure a high-quality design. A critical task is to validate that all requirements are addressed by the design so that there are no costly changes after the software has been configured. System Design assistance includes (but is not limited to) the following activities:

- Support the State's project team;
- Act as mentors to the module leads;
- Monitor coordination between functional, technical, and change management teams;
- Evaluate the quality and sufficiency of the deliverables identified in *Attachment 2 – Implementation Tasks, Services, Deliverables, and Milestones* of the Implementation Services contract with CGI (071B4300138);
- Anticipate problems and offer solutions;
- Validate the designed business processes within the context of the system requirements and project vision;
- Monitor the system design to ensure compliance with required specifications per the State's procurement documents, the vendor's response, and all other binding documents that support the project effort; and
- Take on additional assignments to meet deadlines, as necessary.

During this stage, we will review and provide feedback on the system integrator's change management approach and strategy. Our oversight of change management will address (but not be limited to) the following activities:

- **Readiness assessment of end users** – ISG will review the tools that will be used to assess stakeholder and end-user readiness for the changes that will take place. This will be an ongoing activity to gain a shared understanding of stakeholder and end user involvement, skepticism, and resistance to change. The readiness assessment will help project management and project team members to better understand the issues and challenges impacting stakeholders and future end users.
- **Leadership alignment and executive sponsorship** – In addition to the communications originating from the project team, it is essential that the State's executive leadership be seen as champions for the new system and the benefits it will provide. The ISG team will examine the methods that are proposed to ensure that executive sponsorship is effectively communicated and that the State's leadership actively takes responsibility for guiding their agencies through change. Strong leadership is necessary for employee "buy-in" to the changes that will be taking place and is best demonstrated through commitment and empowerment.
- **Training** – ISG will evaluate the various components of end-user training, including the curriculum, materials, instructors, techniques, facilities, and logistics to ensure that employees are properly educated and able to function effectively in their new roles. **Communications** – ISG will inspect State and systems integrator efforts in developing a comprehensive communications and change

management plan for the project. The plan should include a comprehensive strategy for communicating with all impacted levels of State government.

- **Elimination of barriers to success** – ISG will tailor our oversight activities to emphasize the potential “hot spots” and to mitigate project risks. Additional change management activities to be completed during this stage include (but are not limited to) the following:
  - Monitoring actual progress against the communications and change management plan;
  - Reporting to project governance on plan success;
  - Evaluating the results of change readiness surveys; and
  - Reviewing communication documents.

#### **Anticipated Stage 2 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor’s deliverables

#### **Stage 3: Development**

During this stage, the project team will configure the system to support the agreed-upon design. The ISG team will participate with State resources to obtain necessary knowledge transfer relating to the system configuration process and in monitoring and testing the results of technical development activities. Activities to be undertaken during this stage include (but are not limited to) the following:

- Support the State’s project team;
- Act as mentors to the module leads;
- Monitor coordination between functional, technical, and central agency support teams;
- Review and evaluate the quality and sufficiency of the deliverables identified in *Attachment 2 – Implementation Tasks, Services, Deliverables, and Milestones* of the Implementation Services contract with CGI (071B4300138);
- Anticipate problems and offer solutions;
- Monitor construction of the new system to ensure that all requirements (functional and technical) are addressed;
- Perform oversight of change management activities such as:
  - Monitoring actual progress against the communications and change management plan,
  - Reporting to project governance on plan success,
  - Evaluating user department leadership alignment/sponsorship,
  - Assessing the effectiveness of ongoing communications with the user departments,
  - Identifying potential barriers to success,
  - Managing and coordinating departmental liaison activities,
  - Evaluating the various components of end-user training (including the curriculum, materials, instructors, techniques, facilities, and logistics),

- Assessing role mapping activities,
- Examining content for the project website,
- Assisting State employees begin the transition into their new roles,
- Reviewing presentation materials associated with change issues, and
- Reviewing communication documents; and
- Take on additional assignments to meet deadlines, as necessary.

Once the system has been configured, ISG will assist in confirming that the system operates as designed, including its integration with State legacy systems that will remain. ISG will review the test plans, interview the State staff, and participate in system testing to help ensure that requirements are addressed and that stakeholder expectations are met.

#### **Anticipated Stage 3 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor's deliverables

#### **Stage 4: Deployment**

At this stage, the software construction will have been completed and accepted by the State, and the software will be in the process of being rolled-out to the end-user community, potentially including vendors (e.g., vendor self-service).

During this stage, ISG's assistance will include (but not be limited to):

- Review and evaluate the quality and sufficiency of the related deliverables identified in *Attachment 2 – Implementation Tasks, Services, Deliverables, and Milestones* of the Implementation Services contract with CGI (071B4300138);
- Evaluating the effectiveness of end-user training;
- Support the State's project team;
- Act as mentors to the module leads;
- Evaluating the assessment of the State's readiness to go-live with the new system and providing independent verification of its accuracy and completeness; and
- Reviewing new business processes for proper internal controls.

#### **Anticipated Stage 4 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor's deliverables

#### **Stage 5: Post Go-Live Support**

After go-live, ISG will support the State's post-implementation support team in resolving problems and in providing support to the user agencies and vendor community (where applicable). ISG will also

assist with the effort to stabilize and eventually optimize the new business processes. Lastly, ISG will evaluate the quality and sufficiency of the final contract deliverables.

At the State's request, ISG may conduct a post-implementation review to recap project status, recommend action plans for the future, and document lessons learned.

#### **Anticipated Stage 5 Deliverables:**

- Monthly Status and Planning reports
- Evaluation report(s) regarding the quality and sufficiency of the integration contractor's deliverables

## **PROJECT MANAGEMENT AND STAFFING**

ISG will report on the work performed under TO No. 3 during regularly scheduled status meetings. ISG will also be available to participate in executive briefings or provide supporting materials for State communications with executives and stakeholders.

David Boyd will serve as ISG's Project Manager and will be responsible for overseeing ISG's performance and compliance with responsibilities under this TO. John Natteford will serve as a consultant and will assist with the delivery of IV&V/QA services. Kirk Teal will serve as the Engagement Partner and will oversee the delivery of IV&V/QA services. Additional resources will be used to provide specific skill sets needed for the software that is selected, in order to accomplish requested tasks or meet timeline objectives.

## **TERM OF THIS AGREEMENT**

This Task Order Agreement shall be in effect from July 1, 2014 through September 30, 2017, unless extended or amended by mutual agreement of both parties.

## **KEY ASSUMPTIONS**

During every consecutive 12-month period in which an ISG consultant works for the State on a full-time basis, the consultant will be permitted to work off-site for 4 consecutive weeks. ISG will work with the State to identify the best time for the ISG consultant to work off-site.

The initial ISG staffing levels associated with this statement of work will require selective and focused use of ISG staff providing advice, reviews, and analysis on behalf of the State. The ISG Project Manager will work with the State ERP Project Director to determine those areas of focus that best serve the State and the needs of the Project.

Any use of the ISG Staff Augmentation Pool of Resources must have written approval by the State Project Director before the work commences.

## **COMPENSATION**

ISG will provide assistance to the State with the task identified in the statement of work via individual monthly releases against a TO. Approximately two (2) weeks prior to the beginning of a month that

does not have an approved release for the work to be performed during that month, ISG will submit a Release Document for the upcoming month or quarter to the State Project Director. If the Release Document is accepted by the State, ISG will perform the tasks described in the Release Document. At the end of each month, ISG will: (1) produce a report that provides the status of the tasks described in the Release Document, and (2) submit an invoice to the State for the work performed during that month. The report will include the following items:

- The number of hours expended during the past month, and the cumulative total to date for the project.
- A statement as to whether the remaining hours in the project are sufficient to complete the project.
- Identification of the tasks worked on and what was completed during the current reporting period.
- The amount of funds expended during the current reporting period, and the cumulative total to date for the project.

The State will review the status report and, upon acceptance of report, approve the ISG invoice for payment and remit payment within 45 days of invoice receipt. The actual hours worked will vary and will be included in the monthly invoice.

Consulting fees are: (1) inclusive of all travel and out-of-pocket expenses, (2) in accordance with the Contract, and (3) estimated by resource, as summarized in the table below.

Should ISG staff be required to travel from Lansing to another location on State business, then the State will consider reimbursing ISG for any travel expenses. Any State approved travel expenses must be allowable per the state travel guide.



POSITION TYPE	TIME FRAME			
	07/14 - 09/14	10/14 - 09/15	10/15 - 09/16	10/16 - 09/17
	Option Period 1 Firm Fixed Hourly Rate	Option Period 2 Firm Fixed Hourly Rate	Option Period 3 Firm Fixed Hourly Rate	Option Period 4 Firm Fixed Hourly Rate
1. Engagement Partner	\$ 210	\$ 210	\$ 215	\$ 220
2. Project Manager	\$ 210	\$ 210	\$ 215	\$ 220
3. ERP Consultant 1	\$ 195	\$ 195	\$ 200	\$ 205
4. ERP Consultant 2	\$ 195	\$ 195	\$ 200	\$ 205

	Option Period 1 Hours / Month	Option Period 2 Hours / Month	Option Period 3 Hours / Month	Option Period 4 Hours / Month
1. Engagement Partner	40	40	40	40
2. Project Manager	168	168	168	168
3. ERP Consultant 1	168	168	168	168
4. ERP Consultant 2	168	168	168	168
# of Months in Period	3	12	12	12

	Option Period 1 Estimated Fee	Option Period 2 Estimated Fee	Option Period 3 Estimated Fee	Option Period 4 Estimated Fee
1. Engagement Partner	\$ 25,200	\$ 100,800	\$ 103,200	\$ 105,600
2. Project Manager	\$ 105,840	\$ 423,360	\$ 433,440	\$ 443,520
3. ERP Consultant 1	\$ 98,280	\$ 393,120	\$ 403,200	\$ 413,280
4. ERP Consultant 2	\$ 98,280	\$ 393,120	\$ 403,200	\$ 413,280

Total by Period	\$ 327,600	\$ 1,310,400	\$ 1,343,040	\$ 1,375,680
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Total for All Periods				\$ 4,356,720
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STATE OF MICHIGAN  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
 PROCUREMENT  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 525 W. ALLEGAN, LANSING, MI 48933

**CHANGE NOTICE NO. 1**  
 to  
**CONTRACT NO. 071B3200088**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
International Consulting Acquisition Corporation dba ISG Public Sector 4807 Spicewood Springs Rd Bldg. #2, Suite 105 Austin, TX 78759	Kirk Teal	Kirk.teal@isg-one.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	512-231-9212	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
<b>CONTRACT COMPLIANCE INSPECTOR</b>	DTMB	Lisa Evani	517-373-1840	evanil@michigan.gov
<b>BUYER</b>	DTMB	Jarrod Barron	517-284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION ERP Consulting Services			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
April 1, 2013	March 31, 2016	5 one year	March 31, 2016
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45	Shipment	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MI DEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
		\$2,500,000.00		

Effectively immediately, the contract is amended to add the services described in the attached Task Order Agreement No. 1 and Task Order Agreement No. 2. This is a zero-dollar change utilizing existing Reserve Bank of Hours funding. Remaining Reserve Bank balance: \$542,775.00. All other pricing, terms and conditions remain the same. Per vendor and agency agreement, DTMB Procurement approval and the approval of the State Administrative Board on 3/19/2013.

**Contract No. 071B3200088**  
**Task Order Agreement No. 1**  
**Consulting Services – ERP Consulting Services**

This Task Order Agreement is made a part of Contract No. 071B3200088, hereinafter referred to as "Contract", between the State of Michigan, hereinafter referred to as "State", and International Consulting Acquisition Corp. doing business as ISG Public Sector, hereinafter referred to as "ISG".

**BACKGROUND**

Per the Contract, ISG will provide consulting services for the MAIN ERP Replacement Project, and these services will be provided in a series of phases. ISG's work within each phase will be documented and authorized by a Task Order, which will consist of specific task assignments, milestones, and deliverables to be completed over a designated timeline. ISG will coordinate all of its work with the State project team.

The initial scope of work under the Contract included the following major deliverables, work products, and tools:

- ERP Strategy Document
- Governance Structure Document
- Business Requirements
- DecisionDirector (DD) Collaboration Tool
- Funding Plan Documentation
- Update Business Case Analysis Documentation
- Evaluation Guide
- Demonstration Scripts
- Request for Proposal

**SCOPE OF WORK**

As a continuation of ISG's assistance to the State under the Contract, ISG's work under Task Order No. 1 (TO1) will include the following major tasks in support of the MAIN Replacement Project:

- Provide ongoing Project Management
- Assist in the Evaluation, Selection, and Negotiation of ERP Software and Implementation Services
- Define State Implementation Team and Agency Implementation Team Responsibilities
- Conduct Chart of Accounts Analysis
- Conduct ARFS Analysis
- Assist with Implementation Phase Preparations

Task Order Agreement No. 1  
Consulting Services – MAIN Replacement Project

Each of the aforementioned major tasks is described below:

**Task 1.A – Provide ongoing Project Management**

This task includes all day-to-day project management tasks such as status reporting, project team meetings, project management and stakeholder briefings, and general project-related communications. The subtasks to be performed include the following:

- Creation of the monthly Governing Board status report/PowerPoint
- Facilitating weekly status meetings
- Briefing Governing Board members, as needed

**Task 1.B – Assist in the Evaluation, Selection, and Negotiation of ERP Software and Implementation Services**

This task provides for the assistance in the evaluation of the responses, negotiation, award, and creation of the final contract(s) with ERP vendors. The subtasks to be performed include the following:

- Answer prospective vendor questions in accordance with RFP instructions
- Finalize detailed software demonstration and oral presentation scripts to be followed by vendor finalists
- Provide orientation and support to the Evaluation Committee
- Conduct an administrative compliance review of all vendor proposals
- Conduct initial evaluation of vendor proposals and document points requiring clarification
- Prepare a gap analysis of functional requirements to vendor-proposed functionality
- Determine vendors to participate in software demonstration/oral presentation
- Prepare for vendor software demonstrations and oral presentation
- Participate in, or support, the reference checking and site visit processes, as requested
- Conduct vendor software demonstrations/oral presentations
- Prepare detailed analyses of cost proposals
- Identify vendors to participate in Best and Final Offer (BAFO) process
- Develop Request for Best and Final Offer (BAFO) documentation to be completed by vendor finalists
- Evaluate BAFO responses
- Prepare for and support contract negotiation sessions
- Assist in the development/structuring of contract(s) with selected vendor(s)

**Task 1.C – Define State Implementation Team and Agency Implementation Team Responsibilities**

Task Order Agreement No. 1  
Consulting Services – MAIN Replacement Project

This task includes assistance in defining how the State will organize and staff the State project team. This task also addresses the roles and responsibilities of the State's core project team and the Agency Implementation Team (AIT), as well as each team's structure, skillsets and likely requirements, over the course of the software implementation.

**Task 1.D – Perform Chart of Accounts Analysis**

This task involves reviewing and documenting how agencies currently use the chart of accounts (COA) and cataloging the use of the coding block by agencies to include:

- Agency Objects
- Agency Code 1,2, and 3
- Multipurpose Code Field
- Program Cost Account and Index, including elements inferred
- Early determination of the role of specific agencies in developing new chart values
- Improved understanding of reporting needs related to unique coding block usage

The task also involves determining the objectives of COA reform as it relates to all of the COA fields.

**Task 1.E – Conduct ARFS Analysis**

This task involves documenting existing agency use of ARFs, identifying the key requirements for the elimination of ARFs, and identifying agency coding, interface, and legacy system modification impacts.

**Task 1.F– Implementation Phase Preparation**

This task consists of miscellaneous support activities anticipated as part of the transition from the evaluation phase of the project to the beginning of the implementation phase. This work will include the following, as directed by State project management.

- Planning presentations and communications to various groups that will be involved in the Implementation Process
- Work on project logistics including staffing
- Initial change management activities
- Assisting with implementation scope determination
- Completion of planning deliverables of which the State is responsible

**PROJECT MANAGEMENT AND STAFFING**

ISG will report on the results of TO1 activities via regular status meetings. ISG will also be available to participate in executive briefings or provide supporting materials for State communications with executives and stakeholders.

David Boyd shall serve as ISG's Project Manager and shall be responsible for overseeing ISG's performance and compliance with responsibilities under this Task Order. Kirk Teal will serve as Project Director for this engagement. John Natteford will act as the lead functional consultant.

Task Order Agreement No. 1  
Consulting Services – MAIN Replacement Project

Other resources may be used from time-to-time to address specific skill sets needed to accomplish requested tasks or meet timeline objectives.

**TERM OF THIS AGREEMENT**

This Task Order Agreement shall be in effect from October 1, 2013 through June 30, 2014, unless extended or amended by mutual agreement of both parties.

**KEY ASSUMPTIONS**

ISG assumes that the ERP software and services acquisition will proceed according to the planned dates as presented in the table below. ISG has estimated that it will require approximately 3,634 hours, or an average of 135 hours per month spread evenly over 3 resources for 9 months, to produce the deliverables identified in the payment schedule. Included in the 3,634 hours are approximately 95 hours that will be used to support contract negotiations.

Many of the deliverables including ARFs analysis, and COA analysis will require significant State staff participation and support. State participation in these activities will start almost immediately to avoid any diversion of attention during the compressed evaluation/selection/negotiation schedule.

If the ERP acquisition timeline extends beyond June 30, 2014, ISG reserves the right to work with the State to identify additional value-added services that ISG can provide under a new Task order. If the State, removes a deliverable from the scope then the State agrees reassess the value assigned to other payment deliverables identified in the task order or add new deliverables to the task order.

<b>Key Milestones</b>	<b>Dates/Durations</b>
RFP Issue Date	10/07/2013
Pre-Bid Meeting	10/24/2013
Bid Due Date	12/10/2013
Proposal Evaluation	12/11/2013 – 02/14/14 (9 workweeks)
Anticipated Vendor Demonstration	02/17/2014 – 03/21/2014 (5 workweeks)
Anticipated Award Date	05/01/2014
Contract Negotiations	05/02/2014 – 06/17/14 (7 workweeks)
State Administrative Board Approval	6/24/2014
Anticipated Contract Start Date	07/01/2014

**COMPENSATION**

Consulting fees are estimated by high-level activity as summarized below.

Task Order Agreement No. 1  
 Consulting Services – MAIN Replacement Project

Compensation is based on a fixed fee arrangement that is based on the individual billing rates specified in ISG's Final Proposal. The State will be invoiced on a monthly basis for any deliverables that have been accepted by the State. Payment will be made based on the deliverable price below.

Seq. #		Task ID	EVALUATION PHASE ACTIVITIES	
<b>Pre-Evaluation/Evaluation Activities</b>				
1	1-A	•	Project Management-October	\$ 21,996
2	1-A	•	Project Management-November	\$ 21,996
3	1-F	•	Establish Criteria for Deciding on Optional Modules	\$ 14,664
4	1-A	•	Project Management-December	\$ 21,996
5	1-A	•	Project Management - January	\$ 21,996
6	1-A	•	Project Management - February	\$ 21,996
7	1-A	•	Project Management - March	\$ 21,996
8	1-A	•	Project Management - April	\$ 21,996
9	1-A	•	Project Management - May	\$ 21,996
10	1-A	•	Project Management - June	\$ 21,996
11	1-B	•	Support Vendor RFP Question Response - Question Set 1	\$ 21,996
12	1-B	•	Support Vendor RFP Question Response - Question Set 2	\$ 21,996
13	1-B	•	Support Vendor RFP Question Response - Question Set 3	\$ 21,996
14	1-B	•	Finalize Demonstration Scripts	\$ 21,996
15	1-B	•	Review Technical Proposals	\$ 73,321
16	1-B	•	Review Cost Proposal	\$ 21,996
17	1-B	•	Produce Vendor Clarification Questions	\$ 14,664
18	1-B	•	Facilitate Demonstrations and Oral Interviews - Month 1	\$ 36,661
19	1-B	•	Facilitate Demonstrations and Oral Interviews - Month 2	\$ 36,661
20	1-B	•	Support BAFO Production	\$ 43,993
21	1-B	•	Write BAFO Technical Proposal Evaluation Notes	\$ 36,661
22	1-B	•	Perform BAFO Cost Evaluation	\$ 21,996
23	1-B	•	Prepare for Vendor Negotiations	\$ 21,996
24	1-B	•	Support Vendor Negotiations	\$ 29,328
Total Pre-Evaluation/Evaluation Activities				\$ 637,893
<b>Implementation Preparation Activities</b>				
25	1-D	•	Perform Chart of Accounts Analysis	\$ 29,328
26	1-F	•	Identify Criteria for Feasibility of 'Positive Pay' Banking	\$ 14,664
27	1-E	•	Research ARFS Impact	\$ 21,996
28	1-C	•	Identify Project Team/CAST/AIT Roles	\$ 29,328
Total Implementation Preparation Activities				\$ 95,317
Total Pre-Evaluation/Evaluation and Implementation Preparation Activities				\$ 733,210

Estimated fees are inclusive of all travel and out-of-pocket expenses.

\* \* \* \* \*

State of Michigan DTMB

By: Lisa P. Evami  
Title: BRM Supporting DTMB/MSC  
Date: 10-31-13

ISG Public Sector

By: K. E. Neal  
Title: Partner  
Date: 10-31-13



**Contract No. 071B3200088**  
**Task Order Agreement No. 2**  
**Consulting Services – ERP Consulting Services**

This Task Order Agreement is made a part of Contract No. 071B3200088, hereinafter referred to as "Contract", between the State of Michigan, hereinafter referred to as "State", and International Consulting Acquisition Corp. doing business as ISG Public Sector, hereinafter referred to as "ISG".

**BACKGROUND**

Per the Contract, ISG will provide consulting services for the MAIN ERP Replacement Project, and these services will be provided in a series of phases. ISG's work within each phase will be documented and authorized by a Task Order, which will consist of specific task assignments, milestones, and deliverables to be completed over a designated timeline. ISG will coordinate all of its work with the State project team.

The initial scope of work under the Contract included the following major deliverables, work products, and tools:

- ERP Strategy Document
- Governance Structure Document
- Business Requirements
- DecisionDirector (DD) Collaboration Tool
- Funding Plan Documentation
- Update Business Case Analysis Documentation
- Evaluation Guide
- Demonstration Scripts
- Request for Proposal

**SCOPE OF WORK**

As a continuation of ISG's assistance to the State under the Contract, ISG's work under Task Order No. 1 (TO1) included the following major tasks in support of the MAIN Replacement Project:

- Provide ongoing Project Management
- Assist in the Evaluation, Selection, and Negotiation of ERP Software and Implementation Services
- Define State Implementation Team and Agency Implementation Team Responsibilities
- Conduct Chart of Accounts Analysis
- Conduct ARFS Analysis
- Assist with Implementation Phase Preparations

Under this task order, Task Order No. 2 (TO2), ISG will provide the following additional tasks in support of: (1) building the State project team, (2) assisting with the proposal evaluation process, and (3) updating the business case for the MAIN Replacement Project:

- Assist with building the State project team

Task Order Agreement No. 2  
Consulting Services – MAIN Replacement Project

- Assist in the effort to finalize position descriptions
- Assist with drafting interview questions
- Assist in recruiting efforts and associated communications
- Schedule State staff to participate as applicant interviewers
- Participate in applicant interviews
- Document interview results of individual applicants
- Compile and summarize the applicant interview results
- Assist with the proposal evaluation process
  - Proposal feedback
    - Schedule State advisors for proposal feedback sessions
    - Facilitate proposal feedback sessions
    - Compile and summarize the results of proposal feedback sessions
    - Brief voting members on the results of proposal feedback sessions
    - Ensure relevant items are included in demonstrations
  - Requirements analysis
    - Analyze degree of fit for each proposed solution
    - Prepare summary reports
  - Demonstration support
    - Assist with demonstration logistics
    - Assist with demonstration room set up
    - Document attendance
    - Facilitate demonstration sessions
  - Demonstration feedback
    - Schedule State advisors for demonstration feedback sessions
    - Facilitate demonstration feedback sessions
    - Compile and summarize the results of demonstration feedback sessions, including focus on optional modules
    - Brief voting members on the results of demonstration feedback sessions
- Update the financial analytical aspects of the business case for the MAIN Replacement Project, including, but not limited to:
  - Costs
    - State staff cost
    - Software cost
    - Implementation services cost
    - Managed services cost
    - Facilities cost
  - Benefits
    - Process improvement benefits
    - Avoided costs benefits
  - Net results

Task Order Agreement No. 2  
Consulting Services – MAIN Replacement Project

**PROJECT MANAGEMENT AND STAFFING**

ISG will report on the results of TO2 activities via regular status meetings. ISG will also be available to participate in executive briefings and/or provide supporting materials for State communications with executives and stakeholders.

Chip Julian may serve as one of the ISG's consultants assisting the State with the TO2 activities for the term of the task order. After April 1, 2014, John Natteford may also serve as an ISG resource on this Task Order. Additional ISG resources may work on TO2 with the prior written consent of the State.

**TERM OF THIS AGREEMENT**

This Task Order Agreement shall be in effect from February 10, 2014 through June 30, 2014, unless extended or amended by mutual agreement of both parties.

**KEY ASSUMPTIONS**

The following assumptions pertain to TO2:

- State staff will make decisions and respond to requests for information in a timely manner.
- The State is responsible for the evaluation and scoring of proposals, vendor demonstrations, oral interviews, and the like. ISG will serve in an advisory role and will assist in preparing for and facilitating/leading key evaluation meetings.

**COMPENSATION**

The State will be invoiced on a monthly basis for the TO2 assistance provided at the hourly rate of \$190 per the contract rate identified **Table 2: Reserved Bank of Hours**. The ISG resource will not bill more than 40 hours in a week or more than 168 hours in a month. The total hours invoiced will not exceed 792 hours or a total amount of \$150,480.

Estimated fees are inclusive of all travel and out-of-pocket expenses.

\* \* \* \* \*

**State of Michigan DTMB**

By: *Diana A. Evani*  
Title: BRM for DTMB, MCSC  
Date: 5-29-14

**ISG Public Sector**

By: *Chip Julian*  
Title: Partner  
Date: 5-29-14

Form No. DTMB-3522 (Rev. 4/2012)  
 AUTHORITY: Act 431 of 1984  
 COMPLETION: Required  
 PENALTY: Contract will not be executed unless form is filed

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

**NOTICE  
 OF  
 CONTRACT NO. 071B3200088  
 between  
 THE STATE OF MICHIGAN  
 and**

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
International Consulting Acquisition Corporation dba ISG Public Sector 4807 Spicewood Springs Rd Bldg. #2, Suite 105 Austin, TX 78759	Kirk Teal	<a href="mailto:Kirk.teal@isg-one.com">Kirk.teal@isg-one.com</a>
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(512) 231-9212	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Lisa Evani	(517) 373-1840	evanil@michigan.gov
BUYER:	DTMB	Steve Motz	(517) 241-3215	motzs@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION:			
ERP Consulting Services			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
Three Years	4/1/2013	3/31/2016	Five One-Year
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45	Shipment	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MIDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:			\$2,500,000.00

Form No. DTMB-3522 (Rev. 4/2012)  
 AUTHORITY: Act 431 of 1984  
 COMPLETION: Required  
 PENALTY: Contract will not be executed unless form is filed

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

**CONTRACT NO. 071B3200088**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
International Consulting Acquisition Corporation dba ISG Public Sector 4807 Spicewood Springs Rd Bldg. #2, Suite 105 Austin, TX 78759	Kirk Teal	<a href="mailto:Kirk.teal@isg-one.com">Kirk.teal@isg-one.com</a>
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(512) 231-9212	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Lisa Evani	(517) 373-1840	evanil@michigan.gov
BUYER:	DTMB	Steve Motz	(517) 241-3215	motzs@michigan.gov

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PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45	Shipment	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:			\$2,500,000.00

**THIS IS NOT AN ORDER:** This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #084R3200008. Orders for delivery will be issued directly by the Department of Technology, Management & Budget through the issuance of a Purchase Order Form.

**Notice of Contract #:071B320088**

<b>FOR THE CONTRACTOR:</b>	<b>FOR THE STATE:</b>
<b>International Consulting Acquisition Corporation</b> <b>dba ISG Public Sector</b> _____ Firm Name	_____ Signature
_____ Authorized Agent Signature	<b>Greg Faremouth, IT Division Director</b> _____ Name/Title
_____ Authorized Agent (Print or Type)	<b>DTMB, Procurement</b> _____ Enter Name of Agency
_____ Date	_____ Date



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

**ERP Consulting Services**  
Contract No. 071B3200088

Buyer Name: Steve Motz  
Telephone Number: 517-241-3215  
E-Mail Address: [motzs@michigan.gov](mailto:motzs@michigan.gov)



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**Terms, Acronyms and Definitions:** The definitions included in the table below pertain to every component of this Contract, including all attachments

Term	Definition
24x7x365	Twenty-four hours a day, seven days a week, and three hundred sixty-five days a year (including the 366th day in a leap year)
ADBD	The State Administrative Board that has the final authority to review and approve recommendation packages/contract changes.
ADPICS	MAIN module utilized currently by the state for processing of procurement transactions such as requisitions, invitations to bid, purchase orders, and payments. Advanced Purchasing Inventory Control System.
DTMB Procurement	Prior name for Department of Technology, Management and Budget, Procurement office.
Addendum	Document utilized to modify posted documents (such as bid packages, contracts, etc.)
Additional Service	Any services or deliverables within the scope of the contract, but not specifically provided under any Statement of Work, that will result in the need to provide the Contractor with additional consideration once the service or deliverable is added. Additional service does not include New Work.
Advice of Change	Document utilized for processing changes to requisitions, CS-138's, purchase orders and contracts.
Agency	Executive Branch Department
Amendment Labor Rates	The schedule of fully-loaded hourly labor rates
Audit Period	The expiration of seven (7) years following the creation of materials (Section 2.112)
Business Day (capitalized or not)	Any day other than a Saturday, Sunday, or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00 a.m. EST - 5:00 p.m. EST unless otherwise stated.
Business Critical	Any function identified in any Statement of Work as Business Critical
Business Hours	Business Hours may fluctuate between facilities and work teams. Most common range is from 6:00 a.m. to 7:00 p.m., Eastern Time.
Buyer	Individual given authority to manage a procurement process; this individual could be classified as a buyer, procurement technician, procurement liaison, analyst etc.
COBIT	Control Objectives for Information and Related Technology
COTS	Commercial Off-The-Shelf
C&PE (Contract and Payment Express )	Vendor /payee registration system (web based system)
CTP	Contract Tracking Payment
Clarifications	Questions compiled by the bid evaluation team surrounding a vendor's response. Clarifications may be technical or pricing.
Contract	Refers either to the agreement (including terms and conditions) corresponding to a BPO (see above), or an agreement between a State agency and a cooperative purchasing partner (local unit of government, for example), or an agreement between one State agency and another State agency.
DIT-15	Document used to initiate an IT purchase.
DMZ	Demilitarized zone
DPO /PO	Direct Purchase Order/Purchase Order (single-year contract)
DTMB	Department of Technology, Management and Budget
DTMB - IT	Synonymous with Department of Technology, Management and Budget, Information Technology



DTMB - PO	Synonymous with Department of Technology, Management and Budget, Procurement
Days	Calendar days unless otherwise specified
Deliverable	Physical goods and/or commodities as required or identified by the Statement of Work
Department	Another term for Agency, end-using organization
EST	Eastern Standard Time
Evaluation Worksheet	A worksheet to evaluate if a vendor bid meets the procurement requirements, according to the selection criteria and purchasing process identified in Article 3 of the solicitation.
F & C	Finance & Claims Committee
FOIA	Freedom of Information Act
ITB	Invitation to Bid. The ITB serves as the document for transmitting the solicitation rules and requirements to potential Contractors. (also See RFP)
Incident	Any interruption in Services
JEC	Joint Evaluation Committee
Key Personnel	Any personnel designated in Article 1, Section 1.201 and/or Attachments 2 and/or 3 as Key Personnel
LMAN	Lansing Metropolitan Area Network
MAIN	Michigan Administrative Information Network includes ADPICS, R*STARS and Contract and Payment Express.
MIDB	Michigan Informational Database
MiDeal	State cooperative purchasing program through which local partners, colleges and universities, can utilize State of Michigan contracts.
Multiple Award	A single bid results in more than one contract award. Also called Split Award.
NAS	Network Attached Storage
NASPO	National Association of State Procurement Officials
NIGP	National Institute of Governmental Purchasing
NORs	Notice of Recommendation (s)
New Work	Any Services or deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added, will result in the need to provide the Contractor with additional consideration. New Work does not include Additional Service.
Notifications	Communication sent by email.
O/S	Operating System
PARE	Performance and Reliability Evaluation
PII	Personally Identifiable Information
PKI	Public Key Infrastructure
PRF	Procurement Request Form
PMBOK™	Project Management Body of Knowledge
PMM	Project Management Methodology
Posting	A document for internal or external viewing that cannot be changed or modified. Electronic documents are usually posted in MAIN or to the State website. Posted documents can only be amended through an advice of change or addendum.
RFI	Request for Information
RFP	Request for Proposals
RFQ	Request for Quotation
SaaS	Software as a Service
SOM	State of Michigan
SOW	Statement of Work



SPS	Special personal services
Service Level Agreements(SLA)	Agreements within the State to meet specific benchmarks.
Services	Any function performed for the benefit of the State.
Split Award	A single bid results in more than one contract award. Also called Multiple Award.
State Location	Any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
Subcontractor	A company Contractor delegate's performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
Vendor	Vendor File as related to the eProcurement system designates a vendor/supplier interested in bidding and award opportunities with the State. Any references to Vendor in relation to payment, designates a Vendor Payee, registered in MAIN/R*STARS via C&PE to receive payments.
Vendor Performance	Phase used only when a problem exists with the vendor or the vendor has done something noteworthy.
Work in Process	A deliverable that has been partially prepared, but has not been presented to the State of Approval.



**Article 1 – Statement of Work (SOW)**

**1.000 Project Identification**

**1.001 PROJECT REQUEST**

The Contractor will provide consulting services for the strategic replacement of the State's enterprise-wide financial system. The Contractor will retain independence with regard to all software and integration services vendors and will not have any strategic alliances (formal or informal) with software vendors or their implementation partners, nor have any financial investments in, or financial backing from, entities that would compromise their independence. Although alternative solutions and models will be considered, the State believes the implementation of a statewide Enterprise Resource Planning (ERP) system to be consistent with the size, complexity, and scope of the project under consideration. The State has chosen to move forward with preparations for evaluation, selection, and acquisition of ERP software and implementation services for the Michigan Administrative Information Network (MAIN) Replacement project. The focus of this Contract will be preparing the State to promptly issue a request for proposal, preparations for evaluation, selection, and acquisition of ERP software. **The State is targeting issuance of the MAIN Replacement RFP by October 2013.**

**1.002 BACKGROUND**

A. Financial and Procurement Systems

MAIN is the State's primary accounting application. MAIN is comprised of the R\*STARS, ADPICS, RMDS, Contract and Payment Express, and Electronic Transaction Processing applications. The information documented in this section is intended to convey the size and scope of the current system that this effort will replace. MAIN was implemented in the 1990s and is COBOL, DB2, CICS mainframe application with some java-based web application components.

R\*STARS: The Relational Standard Accounting and Reporting System (R\*STARS) is a comprehensive statewide financial management and accounting information system. The system was designed to comply with the accounting requirements imposed on state governments by the American Institute of Certified Public Accountants (AICPA) and the Government Finance Officers Association, as well as allow an entity to comply with Generally Accepted Accounting Principles (GAAP). R\*STARS includes basic accounting requirements, such as budgetary and general ledger accounting, and more sophisticated cost accounting requirements, such as program accounting, indirect cost accumulation and allocation, and grant accounting.

In addition, R\*STARS includes a nightly batch process that either generates or records all payments made by the State of Michigan. Due to the volume of payments, batch processing is the optimal method to perform payment processing. During the batch cycle payments are consolidated, where appropriate, which reduces the number of warrants printed and the number of EFTs transmitted. An 'Expedite' Cycle runs daily. This group of batch jobs gives the State the ability to process warrants that need to be issued immediately.

Reports and data extracts for both the R\*STARS and ADPICS systems are created during the batch cycle. This information is distributed to various agencies throughout the State.

ADPICS: The Advanced Purchasing and Inventory Control System (ADPICS) is a statewide procurement management system designed to specifically address the purchasing, receiving, and accounts payable requirements of the State of Michigan. ADPICS addresses a wide range of processing requirements in the following six functional areas:

- Requisition processing
- Bid processing
- Purchase orders/contracts
- Receiving
- Accounts payable



- Checks available funding from R\*STARS
- Posts relevant information to R\*STARS in order to maintain real-time funding information

There is a separate effort currently in progress to replace ADPICS with an eProcurement system. The requirements of the ERP RFP must be coordinated with the eProcurement system effort. The State has awarded a contract to Periscope Holdings, Inc. to implement their BuySpeed SaaS solution. The eProcurement system is expected to also interface with the Procurement Card vendor.

RMDS: The Report Management and Distribution System controls access and retention of all reports generated by MAIN. Reports are categorized as control reports or requestable reports. Control reports are generated automatically as a result of a program running the nightly batch cycle. Requestable reports are generated based on agency request profiles in R\*STARS. Certain critical reports should be reviewed each morning for any system or posting errors. The reports that are designated as official records for the State of Michigan are then migrated to the Computer Output to Laser Disk (COLD) application for long term storage.

Contract and Payment Express: Is a web application that allows vendors/payees to register with the State to receive payments including Electronic Fund Transfers (EFT). Payees perform self-registration, EFT authorization (supports multiple bank accounts), W-9 processing, various data changes and remittance viewing. In addition, an intranet version of this application allows Treasury to review and approve the release of EFT payments into the Automated Clearing House (ACH) network. Contract and Payment Express data is heavily integrated with the R\*STARS batch cycle and ADPICS data.

Electronic Transaction Processing: This system is designed to increase invoice processing speed and efficiency by providing an Electronic Data Interchange (EDI) interface between specified vendors and the State of Michigan. Electronic invoices replace paper invoices. In addition, this system provides a method for automatic generation of payment for repetitious monthly lease payments where invoices are not received. In both cases, a transaction is initiated that automatically creates a payment and places the voucher into an approval payment without manual data entry.

Portions of the MAIN database are extracted into a data warehouse, MIDB, on a regular basis.

MAIN Statistics:

- More than 450 on-line CICS screens
- More than 4,400 batch and on-line programs
- More than 2.4 million lines of code
- More than 1,000 jobs are included in the batch process:
  - Nightly Batch Cycle: 300 jobs (of which approx. 75 jobs are used to schedule the nightly batch and perform data back-ups)
  - Additional Weekly Processes: 300 jobs
  - Remaining 400 jobs run for specific processes (month end processing, year-end processing, archiving prior years' data, escheating unclaimed money, etc...)
- In FY11, more than 18 million transactions were processed tracking the movement of \$225 billion (Payments made from other systems not included).
- More than 4,200 active R\*STARS users with more than 12,000 roles.
- More than 625,000 active vendors that have received payment from R\*STARS a recent fiscal year.

There are over 120 interfaces to the State's current accounting system. They include payroll, billing, cashiering/receipting, payments, inventory, grants, and revenue and tax systems.

B. Human Resources and Other systems

NEOGOV Insight and Perform tools provide online recruitment, selection, and performance management for all Executive Branch agencies. NEOGOV is a hosted solution specializing in the public sector.



DCDS is used for time reporting, employee expense requests and reimbursements, and labor distribution (cost allocations of payroll, employee expense reimbursements, and select equipment usage in accordance with State of Michigan as well as federal billing requirements). DCDS interfaces with the Human Resource Management Network (HRMN) and the MAIN Financial Administration and Control System (FACS). DCDS information is also available on the Management Information Database (MIDB). Data flows to and from the external systems and with some validations within DCDS. Additionally, several agencies interface time and attendance information via Time Clock Interfaces. DCDS was implemented in the 1990s and is PowerBuilder and Oracle application with some java-based web application components.

The Human Resources Management Network (HRMN) provides Benefits, Human Resources, Time Accrual and Payroll processing for State of Michigan employees and includes numerous employee and manager self-service web-based components. The State of Michigan payroll is calculated and processed biweekly. National Guard payrolls are processed monthly and on demand. HRMN is also relied upon for payroll tax reporting and compliance. HRMN interfaces with a number of entities and systems within the State, including but not limited to the Data Collection and Distribution System (DCDS), the MAIN FACS Accounting System, MIDB, ORS, Treasury, and the MI HR Service Center. Additionally, there are numerous third-party vendors that receive data from HRMN, including demographic, benefits, and payroll information. HRMN was implemented in 2001 and is an Infor (previously Lawson) based internally hosted COTS application.

The State currently does not have a Budget Preparation system. Instead, the State uses spreadsheets, word documents, and e-mail to support its budget preparation process. It is the State's intent to procure and implement a Budget Preparation system, either as part of the MAIN Replacement Project or a separate project. The Contractor will provide a recommendation regarding the best strategy and approach for procuring and implementing a Budget Preparation system.

MIDB - Michigan Informational Database is State's data warehouse. It has data extracted from various systems. The Contractor will provide a recommendation regarding the best strategy and approach for procuring and implementing a Data Warehouse system (e.g., use existing infrastructure and reporting tools or replace with something new).

Multiple Agencies within the State have implemented independent Asset Management, Project Systems, Inventory Management and Grant Management systems that all need to be considered for this engagement.

**1.100 Scope of Work and Deliverables**

**1.101 IN SCOPE**

**A. High level Contract Milestones and deliverables:**

1. **Recommendation of a Governance Structure** – the Contractor will provide start-up activities to establish a project governance structure that provides a stable foundation for SOM's scope of work but is also flexible enough to grow with the State's financial system initiatives as they progress from the early planning stages through procurement, implementation and long-term support.
- 1.5. **Update Business Case Analysis Documentation** - If necessary, update the business case analysis documents to reflect the final scope, timing, and alternatives as they are further refined. The State has previously created Return on Investment (ROI)/Cost documentation and a high-level project timeline; however the Contractor may be required to create new documents as well. This could involve establishing initial set of Benefits Realization Metrics and capture the baseline.
2. **Recommendation of a Funding Model**– the Contractor will develop a funding plan that will identify funding mechanisms available to finance the acquisition, implementation, and ongoing operation of the new system or systems.



3. **Initial Analysis including Scope Recommendation** - the Contractor must perform an initial analysis of the specified functional areas which will include a recommendation whether to include each area in the scope of the ERP functionality. The recommendation will include such items as strategy and approach about various alternatives (i.e. SaaS, internally hosted ERP software, externally hosted ERP software, etc...).
4. **Define System Requirements** - the Contractor will conduct facilitated requirements gathering sessions with representative subject matter experts to define the detailed requirements necessary for the new ERP system including business process reengineering to improve the internal processes, gain efficiencies, and improve quality of results.
5. **Develop Statement of Work for the MAIN Replacement RFP** – the Contractor will provide technical assistance with development of the Statement of Work (SOW) issued by the State for the ERP software and implementation/integration services. This activity includes the creation of an evaluation plan to document the State's desired evaluation criteria and approach. The RFP will then be structured to gather from vendors the information necessary to complete the evaluation and selection. The completion of the Statement of Work (described in task #1.104.A.5.) should be completed at least 15 calendar days prior to the intended RFP issuance date.
6. **Evaluation Committee Support** – the Contractor will provide assistance to the Evaluation Committee in evaluating the vendor offerings received.

**B. Reserve Bank of Hours (OPTIONAL)**

Funding for the Optional Reserve Bank of Hours will be utilized for any work not included in Section 1.104A of the Contract cost table.

**C. Independent Verification and Validation (OPTIONAL)**

IV&V tasks are optional and available through this Contract for the State to exercise.

**1.102 OUT OF SCOPE**

The Contractor will not be allowed to bid on the RFP to implement the MAIN Replacement solution.

**1.103 ENVIRONMENT**

**State Technology Standards, Methods, Policies and Guidelines**

Contractor is advised that the State has methods, policies, standards and guidelines that have been developed over the years. Contractor is expected to provide proposals that conform to State IT policies and standards. All services and products provided as a result of this Contract must comply with all applicable State IT procedures, policies and standards in effect at the time the Contract is executed. The Contractor must request any exception to State IT policies and standards in accordance with DTMB processes. It will be the responsibility of the State to deny the exception request or to seek a policy or standards exception.

The links below will provide information on State of Michigan IT strategic plans, current environment, policies, and standards.

Strategic Plan	<a href="http://www.michigan.gov/itstrategicplan">http://www.michigan.gov/itstrategicplan</a>
Enterprise Policies, Procedures and Product Standards	<a href="http://www.michigan.gov/dmb/0,1607,7-150-56355---,00.html">http://www.michigan.gov/dmb/0,1607,7-150-56355---,00.html</a>
	<a href="http://www.michigan.gov/dmb/0,1607,7-150-56355-107739--,00.html">http://www.michigan.gov/dmb/0,1607,7-150-56355-107739--,00.html</a>
Enterprise IT Security Policy and Procedures:	<a href="http://www.michigan.gov/dmb/0,1607,7-150-9131_9347---,00.html#1300INFSTDSPLNNG">http://www.michigan.gov/dmb/0,1607,7-150-9131_9347---,00.html#1300INFSTDSPLNNG</a>



	<a href="http://www.michigan.gov/cybersecurity">http://www.michigan.gov/cybersecurity</a>
State's Unified Information Technology Environment (SUITE) methodology	<a href="http://michigan.gov/suite">http://michigan.gov/suite</a>
Payment Card Industry Data Security Standards (PCI DSS)	<a href="https://www.pcisecuritystandards.org/">https://www.pcisecuritystandards.org/</a>

The Contractor must adhere to these standards. In those cases where existing standards are incompatible with the proposed solution, or if the Contractor identifies important omissions in the State's existing enterprise technology standards that may have a negative impact on this initiative, the Contractor must provide recommendations for modifying, replacing or introducing standards that will remedy the situation and identify all costs associated with any change. Contractor must keep in mind that any such recommendations must adhere to open industry standards; that is, they must not be based on vendor-proprietary solutions or products. Any changes must be approved, in writing, by the State's Project Manager and DTMB, before work may proceed based on the changed environment.

Additionally, the State must be able to maintain software and other items produced as the result of the Contract. Therefore, non-standard development tools may not be used unless approved by DTMB.

The State retains the right to determine if Contractor's recommendations will be adopted as enterprise technology standards.

The State will provide a Microsoft SharePoint environment for sharing of documents during the course of the engagement.

The State Project Manager will manage the project in accordance with the State's Unified Information Technology Environment (SUITE) methodology, which includes standards for project management, systems engineering, and associated forms and templates. The Contractor will fulfill their responsibilities related to the SUITE methodology as follows:

The Contractor Firm methodology will be used. Firm documents may be substituted for SUITE PMM/SEM documents, as long as the requirements of the SUITE PMM/SEM document content are maintained. The State will review document substitution, and provide appropriate comments, rejection or approval.

**1.104 WORK AND DELIVERABLE**

**A. High level Contract tasks:**

**A.1 – Recommendation of a Governance Structure**

Section A.1 - Milestone:

**1. Governance Structure Document**

The Contractor will provide a well-defined structure for providing executive oversight to guide the project through the entire life cycle from inception through implementation. The Contractor will work with State leadership to establish a successful governance structure and strategy that addresses the roles and responsibilities of executive sponsorship, the project steering committee, oversight agencies, the change control board(s), advisory councils, the project management office, and other pertinent workgroups and stakeholders.

The governance deliverable shall document the recommended governance strategy and supporting structure to be utilized for the statewide ERP project, governance roles and responsibilities, procedures to be used to manage project scope and ensure timely decision-making, and recommended staffing of the





Project Management Office (PMO) and other key project leadership positions to ensure proper balance and representation across the sponsoring organizations and the user agencies. Specific sections of the governance strategy and structure deliverable include:

- a) Introduction – explains the need for project governance and identifies the State’s guiding principles to support effective project governance.
- b) Governance Strategy – describes how the Executive Sponsors will jointly govern the ERP Project and provides a recommendation as to how the ERP Project should be organized within the overall state government structure.
- c) Governance Structure – defines the various groups that compose the overall Governance Structure and their interrelationships.
- d) Roles and Responsibilities – describes the roles and responsibilities of each group in the governance structure and their estimated time commitments to the project.
- e) Issue Escalation Procedure – defines how the PMO will work to resolve project issues and obtain timely decisions.
- f) Scope Management Procedure – describes the structured change control process that will be used to ensure that scope changes are properly analyzed, reviewed and approved by appropriate State management before being accepted.
- g) Recommended Project Organization – describes the recommended project organization structure to be used for staffing the ERP Project.
- h) Executive Sponsor Approval Sign-Off – includes signatures of each of the Executive Sponsors to represent acceptance of this deliverable and a commitment that the ERP project will be governed in accordance with the governance strategy and structure outlined within the deliverable.

The table that follows presents the key Contractor and State roles and responsibilities for the project.

**Key Contractor (ISG) and State Roles and Responsibilities**

<b>Roles</b>	<b>State/ISG</b>	<b>Responsibilities</b>
Engagement Partner	ISG	<ul style="list-style-type: none"> <li>▪ Perform quality assurance</li> </ul>
ISG Project Manager	ISG	<ul style="list-style-type: none"> <li>▪ Interview designated stakeholders</li> <li>▪ Address the roles and responsibilities of executive sponsorship, the project steering committee and other stakeholders</li> <li>▪ Draft governance deliverable</li> </ul>
State Project Manager	State	<ul style="list-style-type: none"> <li>▪ Review and provide input to the governance deliverable</li> <li>▪ Manage the deliverable review process</li> </ul>
Designated Stakeholders	State	<ul style="list-style-type: none"> <li>▪ Provide input into the initial governance design</li> <li>▪ Review, provide input to, and approve governance deliverable</li> </ul>
Project Steering Committee	State	<ul style="list-style-type: none"> <li>▪ Provide input into the governance design</li> <li>▪ Review, provide input to, and approve governance deliverable</li> </ul>

**A.1.5 – Update Business Case Analysis documentation**

**Section A.1.5 - Milestone:**

**1. Updated Business Case Analysis documentation**

The objective of this phase is to update the Business Case Analysis documentation to support the implementation of a new ERP system.



A major component of the business case will be a return on investment (ROI) analysis that will determine the time period in which the State will be able to recoup its project investment. The Contractor will develop the business case by using relevant portions of proprietary Value Pockets<sup>SM</sup> Return on Investment (ROI) Methodology as follows; however, the Contractor will modify the approach as necessary to ensure compliance with any State standards and required formats for conducting business case analyses:

▪ **Determine Alternative Solutions to Evaluate**

The Contractor will initiate the Business Case Analysis by identifying and describing each alternative solution to be considered. The Contractor will consider ERP alternatives utilized by other states when making recommendations for ERP alternatives to be considered by the State. The following alternative solutions will be considered:

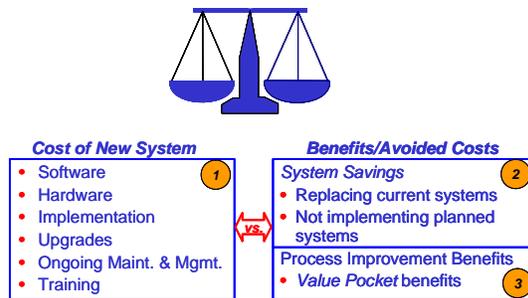
- Baseline (status quo);
- Traditional ERP system (that may include some “best-of-breed” solutions); and
- SaaS solution (if desired by the State).

In developing the various alternatives to be considered in the Business Case Analysis, the Contractor will need to work the State’s project management and executive sponsors to determine appropriate deployment strategies for each alternative solution.

Various deployment strategies can be successful when implementing a new statewide ERP system. No single, “preferred” deployment approach exists; the unique requirements and decision drivers for each organization dictate which strategy or strategies are most suitable. The Contractor will provide the key stakeholders with an understanding of the available deployment strategies, including pros and cons of each strategy, major decision drivers associated with deploying a new ERP system, other special considerations unique to the State’s ERP initiative, and recommended approach and timeline for deployment in the State.

▪ **Identify & Analyze Costs, Benefits & Risks**

The business case will evaluate the estimated cost of transitioning the State from the existing legacy system environment to a new ERP system vs. the potential benefits/savings from such an implementation, including: (a) retiring current systems and avoiding the implementation of planned/anticipated systems, and (b) realizing benefits/savings from process improvements that could result from the ERP system/alternative solution implementation.



Each of the three (3) primary components of the Business Case Analysis depicted in the diagram above (represented by the three [3] boxes) is discussed below.

**ERP System/Alternative Solution Costs**

Costs in this category are costs to acquire, implement, operate, and upgrade a new ERP system over a specified period of time. These costs will be built on estimates of ongoing operational costs that will be based on Contractor’s experience with other clients, knowledge of the ERP



marketplace and other ERP projects, and other operational cost estimates to be provided by the State.

The cost estimate will be structured to address the total cost of ownership associated with implementing and maintaining a new ERP system over a period of ten (10) years, including (but not limited to):

- Application Software Costs
  - Acquisition costs
  - Life cycle costs (annual maintenance)
- Hardware and Related Infrastructure Costs
  - Acquisition costs
  - Life cycle costs – relative to the ten-year proposed lifecycle of Application Software
- Implementation / Integration Services Costs
  - Project Management
  - System Analysis and Design
  - Technical Architecture and Infrastructure Design
  - Software Configuration
  - Customizations
    - Automated Interfaces
    - Software Modification / Enhancements
    - Report Development
    - Data Conversion / Loading
    - Custom Workflow Configuration
  - Data Warehouse
  - Security Configuration
  - Testing
  - Training
  - Documentation
  - Knowledge Transfer
  - Communications and Change Management
  - Implementation / Deployment (Roll-out) Support
- Post-Implementation Support Costs
  - Software Upgrade Costs (our analysis typically includes the cost of one software upgrade to be performed during the ten-year planning horizon for the project)
  - Staffing Needs:
    - Compensation for State personnel backfilling for the implementation. "Backfill" resources are those that replace State staff and managers who leave their positions to join the project team
    - Appropriate levels of project staff
    - Staffing incentives

**ERP or Alternative Solution Benefits/Savings – System Savings**

The savings in this category are savings estimated to result from (1) retiring existing systems as relevant portions of the ERP system become operational, and (2) avoiding costs that would likely be incurred to implement, maintain, and upgrade planned/anticipated systems during the planning period. The costs in this category are system operation and support costs, not user-related costs.

Potential system savings include the costs associated with current statewide administrative systems, as well as user-agency administrative systems that could be replaced by a statewide ERP system.

A survey is typically conducted to collect costs of existing and planned administrative systems from the central agencies and various user agencies. Meetings and follow-up discussions will also be conducted to collect and validate system cost information. Care will be taken to utilize data already compiled by the State, where feasible to do so.



**ERP or Alternative Solution Benefits/Savings – Process Improvements**

The State will realize benefits/savings from process improvements resulting from moving to the “To Be” environment, which is supported by industry-standard best practices.

The Contractor will utilize their Value Pockets<sup>SM</sup> approach to identify the most likely sources of value (i.e., cost savings and other benefits) to be found in each process/functional area.

ERP implementation. Value Pockets<sup>TM</sup> are proprietary formulas and calculations used to quantify process-improvement benefits obtained through the implementation of a statewide ERP System. For each Value Pocket<sup>SM</sup> in each process area, the Contractor will identify the following:

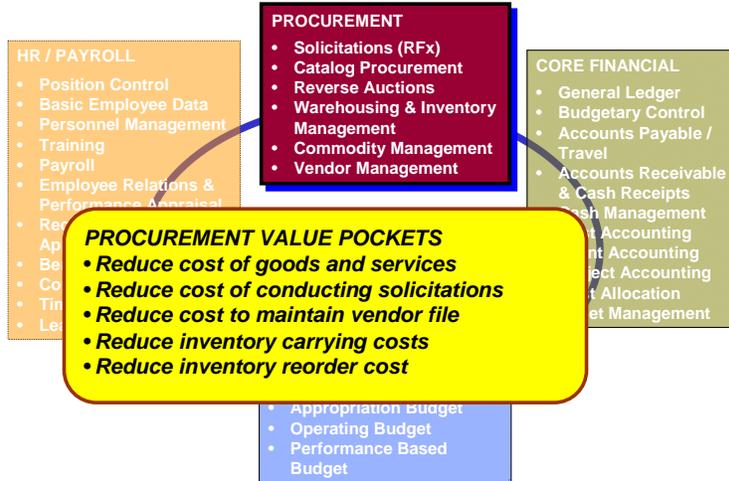
- Specific nature and source of the value to be realized;
- ERP System enabler;
- Formula for calculating the value (i.e., benefit or cost savings); and
- Source of the value for each variable in the formula.

Certain data necessary to calculate the Value Pocket<sup>SM</sup> benefits will be collected from State agencies via a Value Pocket<sup>TM</sup> survey and from interviews with the appropriate subject matter experts.

The Contractor will categorize the savings from the Value Pocket<sup>SM</sup> analysis in several ways, including the following:

- Dollar-Quantifiable ERP Benefits/Cost Savings (Tangible Items)
  - Improved Process Effectiveness (Outcomes/Results), for example:
    - Decreased price paid for goods and services
    - Decreased inventory carrying costs
  - Improve Process Efficiency (Execution), for example:
    - Reduced/reassigned headcount (FTEs) required to execute/perform the process
    - Reduced use/cost of inputs (in addition to FTEs) to execute the process (e.g., materials, equipment, etc.)
- Non-Dollar-Quantifiable ERP Benefits/Cost Savings (Intangible Items)
  - Reduced Cycle Times
  - Alignment with Strategic Initiative(s)
  - Increased Accuracy
  - Improved Usefulness

The Contractor has developed Value Pocket<sup>SM</sup> formulas and calculations to be used to quantify process-improvement benefits for the major functional areas associated with public sector ERP software, as depicted in the exhibit that follows. For illustration purposes, this exhibit also includes specific examples of Value Pockets<sup>SM</sup> that have been established for Procurement.



The table that follows describes the various methods the Contractor intends to utilize to complete this step of the Business Case Analysis.

<i><b>Information Needed</b></i>	<i><b>Data-Gathering Approach</b></i>
<p><b>1</b></p> <p><b>ERP Costs:</b> Estimated costs of implementing, maintaining, and upgrading</p>	<ul style="list-style-type: none"> <li>• Information provided by vendors and other statewide ERP projects</li> <li>• STA experience</li> </ul>
<p><b>2</b></p> <p><b>System Savings:</b> Estimated cost savings from:</p> <ul style="list-style-type: none"> <li>• Replacing existing statewide &amp; agency-specific systems</li> <li>• Not implementing planned/anticipated systems</li> </ul>	<ul style="list-style-type: none"> <li>• Statewide System Survey</li> <li>• Agency System Survey</li> <li>• Interviews with statewide administrative systems SMEs</li> </ul>
<p><b>3</b></p> <p><b>Process Improvement Benefits:</b> Estimated cost savings and other benefits that an ERP system would likely enable/yield</p>	<ul style="list-style-type: none"> <li>• Value Pocket Survey</li> <li>• Interviews with State employees who are process/functional SMEs</li> </ul>

As a final task in this step of the Business Case Analysis, the Contractor will determine risk-adjustment factors to apply to the financial analysis. Once the risks are identified and documented, they are categorized (e.g., Organizational Concerns, Budgetary and Cost, Legal/Regulatory, Scheduling, Technology), and prioritized according to risk exposure that is a function of the potential impact and the likelihood/probability the negative impact will occur (i.e., risk exposure = impact rating x probability impact will occur).

▪ **Perform Financial Analysis**

In performing the financial analysis, the estimated, dollar-quantifiable cost components of the new system are weighed against the estimated, dollar-quantifiable systems savings and process-improvement benefits of the new system to calculate the project's estimated return on investment, generally over a ten-year planning horizon. In this step, the Contractor will perform standard financial analyses of dollar-quantifiable costs and benefits/savings, adjusted for risk, such as:



- o Net Present Value (NPV)
- o Internal Rate of Return (IRR)
- o Payback Period

▪ **Prepare Business Case Analysis Report**

Based on the results of the work performed to this point, a Business Case Analysis the Contractor will prepare a report. The report will contain the following major sections:

- o Executive summary;
- o Project background and objectives;
- o Key assumptions;
- o Business case analysis scope and approach; and
- o Business case analysis findings and recommendations (including predicted ROI analysis).

Additionally, the Contractor will be available to assist State leadership in providing testimony and information to the Legislature and oversight agencies if and when requested.

The table that follows presents the key Contractor and State roles and responsibilities for the project.

**Key Contractor (ISG) and State Roles and Responsibilities**

Roles	State/ISG	Responsibilities
Engagement Partner	ISG	<ul style="list-style-type: none"> <li>▪ Perform quality assurance</li> <li>▪ Assist with development and review of the updating of the Business Case documentation</li> </ul>
ISG Project Manager	ISG	<ul style="list-style-type: none"> <li>▪ Assist with the development and review of the updating of the Business Case documentation</li> </ul>
ISG Business Analyst/ ISG ERP SME	ISG	<ul style="list-style-type: none"> <li>▪ Lead the determination of alternative solutions to evaluate</li> <li>▪ Lead the estimation of the cost of each alternative solution</li> <li>▪ Lead the identification the dollar-quantifiable and non-dollar-quantifiable benefits associated with each selected alternative solutions</li> <li>▪ Lead the estimation of dollar-quantifiable benefits</li> <li>▪ Perform financial analyses of the selected alternative solutions</li> <li>▪ Update Business Case documentation</li> </ul>
State Project Manager	State	<ul style="list-style-type: none"> <li>▪ Review and approve the updated Business Case documentation</li> <li>▪ Manage the deliverable review process</li> </ul>
Designated State Stakeholders and SMEs	State	<ul style="list-style-type: none"> <li>▪ Respond to data requests</li> <li>▪ Review and provide feedback on the Business Case documentation</li> </ul> <p>Attachment 7 provides estimated commitment needed from State SMEs</p>



**A.2 – Recommendation of a Funding Model –**

**Section A.2 - Milestone:**

**1. Funding Plan Documentation ( Funding Model, Funding Plan)**

The Contractor will develop a funding model to support the acquisition, implementation and ongoing operations of the ERP system based on the data collected by the State to date regarding the ERP system costs and anticipated benefits and cost. This task will be accomplished through the following steps:

- a) Obtain data on how other states have funded their similar projects (with considerable emphasis on previous Contractor clients);
- b) Conduct interviews with key State staff knowledgeable on the subject matter to obtain a clear understanding of the State’s current approach to funding, as well as their ideas for alternative funding models;
- c) Determine funding options to be considered (e.g., regular state appropriations; up-front state funding with a chargeback methodology to recover the start-up costs from participating agencies and federal funds where applicable);
- d) Utilizing the cost estimates documented in the ROI/Cost documentation, develop one or more funding models that are fair and equitable and relate to the value proposition;
- e) If a cost allocated model is utilized, The Contractor will develop a suggested cost allocation methodology to accompany the cost allocated model along with method of finance estimates for each agency (based on current appropriations);
- f) Draft summary narrative to accompany the funding model analysis;
- g) Document assumptions and any metrics associated with the funding model; and
- h) Develop an implementation plan for executing the selected funding model through actionable steps.

The Funding Model Report will address the opportunities and restrictions associated with federal funding.

The Contractor will assist in the development of the required Funding Plan to ensure that it addresses the federal restrictions provided in OMB Circular A-87, Attachment C, GASB Statement Number 51, Accounting and Financial Reporting for Intangible Assets, GASB Statement Number 34, Basic Financial Statements--and Management’s Discussion and Analysis--for State and Local Governments, and other federal funding requirements.

The table that follows presents the key Contractor and State roles and responsibilities for the project.

**Key Contractor (ISG) and State Roles and Responsibilities**

<b>Roles</b>	<b>State/ISG</b>	<b>Responsibilities</b>
Engagement Partner	ISG	<ul style="list-style-type: none"> <li>▪ Perform quality assurance</li> </ul>
ISG Project Manager	ISG	<ul style="list-style-type: none"> <li>▪ Assist with development and review of funding model</li> </ul>
ISG Business Analyst/ ISG ERP SME	ISG	<ul style="list-style-type: none"> <li>▪ Interview key State staff</li> <li>▪ Determine funding options</li> <li>▪ Develop funding model to support the acquisition, implementation, and ongoing operations</li> <li>▪ Draft summary narrative and assumptions</li> <li>▪ Develop a funding model implementation plan</li> </ul>
State Project Manager	State	<ul style="list-style-type: none"> <li>▪ Review and provide input to the funding model</li> <li>▪ Manage the deliverable review process</li> </ul>
Designated State Stakeholders and SMEs	State	<ul style="list-style-type: none"> <li>▪ Provide input into the initial funding model design</li> <li>▪ Review, provide input to, and approve funding model deliverable</li> </ul> <p>Attachment 7 provides estimated commitment needed from State</p>



Roles	State/ISG	Responsibilities
		SMEs

**A.3 – Initial Analysis including Scope Recommendation**

**Section A.3 - Milestone:**

1. **ERP Strategy Document** (Initial scope analysis and recommendations, State selection of functional areas, Procurement strategy)
2. **Update Governance Structure Document and Funding Plan Documentation** based on approved ERP Strategy Document (as applicable)

The Contractor shall perform an initial analysis of the following functional areas in order to make a recommendation whether to include each area in the scope of the ERP functionality:

	Functional Areas	Existing State Applications
a.	Budget Preparation	No automated system
b.	General Ledger	Statewide accounting system MAIN
c.	Accounts payable	Statewide accounting system MAIN
d.	Accounts receivable and billing	Statewide accounting system MAIN
e.	Reporting (HR and FI)	Statewide accounting system MAIN
f.	Procurement	New contract awarded – project in progress
g.	Budget Control	Statewide accounting system MAIN
h.	Asset Management	Disparate systems within State
i.	Payroll	Statewide personnel system HRMN
j.	Employee self-service	Statewide personnel system HRMN
k.	Grant Management	Disparate systems within State
l.	Time collection	Statewide personnel system HRMN/DCDS
m.	Personnel administration	Statewide personnel system HRMN
n.	Benefits administration	Statewide personnel system HRMN
o.	Procurement-cards	Interface with vendor
p.	Project systems	Disparate systems within State
q.	Inventory Management	Disparate systems within State
r.	Manager self-service	Statewide personnel system HRMN/DCDS
s.	Recruitment	NeoGov

The Contractor shall accomplish this task through a **series of interviews** and the completion of a **survey questionnaire** by key stakeholders of existing statewide and user-agency administrative systems. Based on the results of interviews and the survey, the Contractor will obtain a high-level understanding of the State’s current administrative systems, their pros and cons, functionality being provided by each system, functionality not being provided, potential process improvement opportunities, as well as the degree of interfacing/integration across the various systems. The Contractor will also document various other issues and risks associated with the systems.

Based on prior experience with the various Tier 1 ERP solutions and the issues, problems, complexities, and lessons learned from other statewide ERP projects, the Contractor shall make **recommendations** regarding how each functional area should be addressed in the future RFP to acquire ERP software (e.g., **integrate to ERP, replace system, or "hybrid" approach**).

At the conclusion of this phase, the State will select the functional areas that will be included in the MAIN Replacement RFP and the scope of the work effort to define the system requirements. The selection of functional areas will be documented through the change control process.

Once the functional **scope has been finalized**, the Contractor shall work with the State to formulate a **Procurement Strategy** for acquiring new ERP software, together with associated consulting services required to successfully implement and integrate the software into the state government environment.





The Procurement Strategy will answer important questions that help to build the framework for the RFP regarding the RFP's structure, content, timing, etc. Typical questions to be answered include:

- a) Will one (1) RFP be issued for both software and associated implementation services, or should the State separate the software procurement from the services procurement? It appears that the State's intention at this time is to issue a single RFP for software and services.
- b) What process will be followed in developing and distributing the RFP to vendors?
- c) What are the targeted dates for each major milestone in the procurement process?
- d) Should the State request a fixed-price, time-and-materials, not-to-exceed, a combination thereof, or other form of contract(s)?
- e) Will the software provider or implementation integrator be held as the Prime Contractor (including a discussion of the pros and cons of having an implementation integrator versus having just the software provider manage the implementation process)?
- f) Will the RFP allow for the inclusion of best-of-breed software required to meet specific functional requirements?
- g) Will proposals be accepted from multiple implementation partners for the same software solution?
- h) Will the RFP allow for alternative approaches, such as Software-as-a-Service (SaaS), internally hosted ERP software, or externally hosted ERP software?
- i) What criteria will be used to evaluate the proposals?
- j) Will the RFP specify an implementation/deployment strategy to be complied with by all vendors submitting a proposal?

The table that follows presents the key Contractor and State roles and responsibilities for the project.

**Key Contractor (ISG) and State Roles and Responsibilities**

Roles	State/ISG	Responsibilities
Engagement Partner	ISG	<ul style="list-style-type: none"> <li>▪ Perform quality assurance</li> </ul>
ISG Project Manager	ISG	<ul style="list-style-type: none"> <li>▪ Interview and/or survey key stakeholders to obtain an understanding of the State's current administrative systems environment</li> <li>▪ Document description and purpose of each system, and associated pros and cons</li> <li>▪ Document various issues and risks associated with the existing systems</li> <li>▪ Recommend how each functional area should be addressed</li> <li>▪ Update governance deliverable (as applicable)</li> <li>▪ Formulate a Procurement Strategy for acquiring new ERP software and the associated implementation/integration services</li> </ul>
ISG Business Analyst/ ISG ERP SME	ISG	<ul style="list-style-type: none"> <li>▪ Interview and/or survey key stakeholders to obtain an understanding of the State's current administrative systems environment</li> <li>▪ Document description and purpose of each system, and associated pros and cons</li> <li>▪ Document various issues and risks associated with the existing systems</li> <li>▪ Ascertain whether other Agency administrative applications will have an interface into the ERP solution or will be eliminated</li> <li>▪ Recommend the functional areas that will be included in the MAIN Replacement RFP</li> <li>▪ Update funding model deliverable (as applicable)</li> </ul>



Roles	State/ISG	Responsibilities
State Project Manager	State	<ul style="list-style-type: none"> <li>▪ Contribute to formulating an ERP Strategy for acquiring new ERP software and the associated implementation/integration services</li> <li>▪ Review and provide input to the scope recommendation</li> <li>▪ Select the functional areas that will be included in the MAIN Replacement RFP</li> <li>▪ Manage the deliverable review process</li> </ul>
DTMB Procurement Buyer	State	<ul style="list-style-type: none"> <li>▪ Contribute to formulating an ERP Strategy for acquiring new ERP software and the associated implementation/integration services</li> </ul>
State SMEs	State	<ul style="list-style-type: none"> <li>▪ Participate in interviews regarding Agency administrative applications</li> <li>▪ Recommend the functional areas that will be included in the MAIN Replacement RFP</li> </ul> <p>Attachment 7 provides estimated commitment needed from State SMEs</p>

**A.4 – Define System Requirements**

Section A.4 - Milestone:

**1. Requirements Document (Functional, General & Technical, Interface and Conversion)**

The initial project schedule for this deliverable shall be based on the State selecting all functional areas. However, the State reserves the right to select some or all of the functional areas that will be included in the scope of the MAIN Replacement RFP.

The pricing shall be firm for each functional area. The total price for this deliverable will change based on the modules selected by the State at the conclusion of the Initial Analysis in section A.3 defined above.

The Contractor shall develop system requirements that will be used in evaluating and selecting a **commercially-available ERP software** solution and **potentially one or more additional best-of-breed** software products to address any gaps in functionality provided by the ERP software. System requirements development will include business process reengineering, with the goal of improving internal processes, gaining efficiencies, and improving quality of results, overall economics, and administration.

Four (4) types of requirements will be developed as follows:

1. Functional Requirements;
2. General System and Technical Requirements;
3. Interfacing Systems; and
4. Data Conversion.

The following is a brief description of how each type of requirement will be addressed.

**1. Functional Requirements**

The Contractor will facilitate development of the functional system requirements in accordance with the best business practices commonly found in commercially-available ERP systems and their database of ERP requirements for statewide ERP projects. The requirements will be developed in a matrix format to facilitate inclusion in the future RFP. In developing these requirements, the Contractor shall:

- a) Develop the system requirements at a level of detail required to differentiate among available products.



- b) Focus on what the system must do – not how. The system design will be completed after product selection – not during.
- c) Emphasize process change in lieu of software modifications to protect software warranties and facilitate future system upgrades. This also means that business modeling is not done prior to the selection of the ERP solution but after software selection to model business changes to emphasize the best practices inherent in the selected ERP software solution.
- d) Leverage the requirements templates that have been developed and enhanced over the years in performing projects of this nature for other statewide ERP projects, transportation departments, and other public sector clients. These requirements should be based on best business practices and current technologies to ensure a thorough set of requirements and to avoid “reinventing the wheel.” The functional requirements will be documented in a matrix format by subject area to facilitate inclusion in the RFP.

The steps taken in developing functional business requirements are as follows:

1. Based on the project scope, information gathered through initial interviews and other sources, the Contractor will extract requirements from Requirements Repository Toolset to create the baseline system requirements to be loaded in the DecisionDirector software as “KnowledgePacks”. DecisionDirector is a Web-based stakeholder collaboration and decision support system that is designed specifically to help public sector organizations plan for and select ERP and other enterprise software solutions. DecisionDirector will provide the Project’s stakeholders with an online functional assessment and requirements gathering forum that will enable those stakeholders to review and consider thousands of well-organized, preexisting functional requirements as defined in the DecisionDirector database. A “KnowledgePack” is a structured collection of information about a specific topic such as, for example, a hierarchical listing of detailed functional requirements for General Ledger or Time Collection. DecisionDirector will allow participation in the requirements development activities by SMEs from across the entire enterprise without regard to geographic location. SMEs can access the requirements in the KnowledgePacks through the Internet and provide direct input to the requirements from their work location. This allows for timely feedback to the project team with no associated travel costs.
2. The Contractor will then take the baseline requirements KnowledgePacks in Microsoft Excel format and refine them based on review of the State’s existing administrative systems, key policy documents, feedback obtained during previous studies conducted by the State (if applicable), and other documentation provided by the State. The Contractor will complete an initial working draft of the requirements based on the results of work sessions and interviews, and will load the KnowledgePacks in Decision Director for use by the State’s various Focus Groups. Decision Director is further described in Attachment 6.
3. Next, the Contractor will conduct facilitated Focus Group work sessions with a group of the State’s subject matter experts and technical staff that support existing administrative systems. Through this process, the baseline requirements are modified (add/change/delete) to develop the State’s specific requirements. The Contractor will also conduct interviews with executive managers responsible for operational areas within the scope of the project to ensure a clear understanding of the State’s strategic goals and that related business needs and expectations are addressed in the requirements. Each Focus Group member will be asked to indicate which requirements they believe the existing systems currently satisfy and which requirements must be satisfied by a new system. Stakeholders need only respond to those requirements that pertain to their respective areas of responsibility (i.e., a General Ledger subject matter expert need only respond to General Ledger-related requirements).

Additionally, Focus Group participants may also suggest additional requirements via the online forum.

For this activity, the State will need to:

- a. Identify and assign Focus Group members who will participate in this brainstorming exercise.



- b. Encourage active participation so that a complete and comprehensive review and identification of requirements is achieved.
- c. Review the resulting reports and authorize closure of the forum.

The various Focus Groups will be organized along functional lines, the Contractor will work with the State's project management to determine the ultimate Focus Group organization and composition:

- Budget Preparation
- General Ledger and Budgetary Control
- Accounts Payable / Travel
- Accounts Receivable and Billing
- Reporting
- Procurement (including procurement cards)
- Asset Management (capital and controlled)
- Payroll
- Employee Self-Service
- Time Collection
- Benefits Administration
- Personnel Administration
- Manager Self-Service
- Recruitment
- Grant Management
- Project Systems
- Inventory Management

The Contractor will:

- a. Prepare, establish, administer and support the forum.
- b. Provide participants with instructions and guidance for use of this forum.
- c. Provide the State with periodic participation reports that identify the levels of activity and contribution of each participant.
- d. Provide the State with end-of-activity summary and analysis reports and key findings.

The forum allows stakeholders to suggest additional requirements. However, before any suggested requirement is accepted by the State as an "official" requirement, some review and editing must be done. The editing and review will be accomplished as follows:

- a. The Contractor will provide each Focus Group with a report and a Microsoft Excel extract that lists these suggested requirements and their respective authors (the spreadsheets will not identify the authors).
- b. Each Focus Group will conduct a cursory review of these documents to make a preliminary determination of which suggestions are valid and merit inclusion in a potential future procurement document (e.g., RFP), and which do not.
- c. Each Focus Group will use the spreadsheet to delete suggestions that are not to be included, modify suggested requirements as necessary to properly reflect the need, and add new requirements that come to mind, if any.
- d. Each Focus Group will provide the edited spreadsheets to the Contractor.

- 4. Upon receipt of each Focus Group's modifications, the Contractor will:
  - o Conduct a preliminary review of the suggested requirements that remain to eliminate any suggestions that may, in fact, be duplicates of preexisting requirements.
  - o Edit suggested requirement statements to ensure that they conform to standards for grammar and statement composition.
- 5. The Contractor will next prepare the requirements for online validation across the State enterprise. To accomplish this task, the Contractor will:



- o Present the edited set of suggested requirements to the State's project management for review and approval.
  - o Upon State approval, the Contractor will insert these requirements KnowledgePacks back into the DecisionDirector requirements database for final online validation.
6. Finally, the Contractor will provide selected State staff (e.g., business process owners, advisors, and other subject matter experts as determined by the State) with a secure, online DecisionDirector **Requirements Validation forum** with which to **conduct a final review** and validation of the State's requirements database. This forum will present the same requirements that were presented in the Focus Group forum, plus the newly edited suggested requirements.

The purpose of this forum is to finalize the decision as to which requirements are to be included in the RFP based on degree of need, and of those, which are functions that already exist in the legacy administrative systems (with designation of specific source of functionality).

DecisionDirector will automatically preselect the 'Need' and 'Have' checkboxes of the Requirements Validation forum, as shown in the example show below, based on the results of the Focus Group Requirements Gathering forum. State staff can retain the preselected values, or they may make whatever changes they deem necessary.

- Note:** At the State's option (at no additional charge), the Contractor will make the following additions to this forum within DecisionDirector (see image above):
- Add two (2) checkboxes that allow participants to tag requirements that are believed to be subject to legal or policy changes. This functionality will be beneficial in completing any future Fit/Gap Analysis.
  - Add a checkbox entitled "Demo". If checked, the requirement will be included in a special listing of requirements for which vendor demonstrations will be requested as part of the Request for Proposal to acquire ERP software. In this way, selected requirements can be presented as a checklist for use in building a demonstration script for any future procurement effort.

After the completion of this Requirements Validation forum, the Contractor will provide the State with a **report of the final, official set of requirements** that can be included in the RFP for ERP software and integration services.

**2. General System and Technical Requirements**

The Contractor shall also develop general system and technical requirements that will be incorporated into the future procurement effort. The general and technical requirements will be developed based on input received during discussions with functional subject matter experts, IT management, and technologists that support existing administrative systems.

- The general and technical requirements will address (but will not be limited to) the following:
- Technical and architectural requirements,
  - System performance,



- Security,
- Accessibility/usability compliance,
- System navigation and user friendliness,
- System administration,
- Automated workflow and electronic approvals,
- Standard and ad hoc reporting, and
- Data warehousing and business intelligence.

To finalize the General System and Technical Requirements, the Contractor will utilize the same process as used for the Functional Requirements. The steps taken in validating the general system and technical requirements are summarized below:

1. The Contractor will complete an initial working draft of the requirements based on the results of initial interviews and their previous experiences with similar projects for other clients, and will load the KnowledgePacks in Decision Director to be used by the State's Technical Focus Group.
2. The Contractor will provide Focus Group work sessions composed of IT leadership, the State's technologists that support existing administrative systems, functional subject matter experts, and executive management to ensure the general system and technical requirements properly reflect the State's needs in this area.
3. The Contractor will next prepare the requirements for online validation across the State enterprise. To accomplish this task, the Contractor will:
  - Present the edited set of suggested requirements to the State's project management for review and approval.
  - Upon State approval, the Contractor will insert these requirements KnowledgePacks back into the DecisionDirector requirements database for final online validation.

After completion of this Requirements Validation forum, the Contractor will provide the State with a **report of the final, official set of requirements** that can be included in the RFP for ERP software and integration services.

### 3. Interfacing System Requirements

The nature of ERP software requires that special emphasis be placed on automated interfaces to/from certain legacy systems. The Contractor will **document the legacy systems that will be required to interface with the ERP system**. Accordingly, a special set of interfacing system requirements will be developed for each interfacing system to address:

- a) Target systems – the systems that are to be interfaced with the ERP system;
- b) Interface description – brief description of what the interface will do;
- c) Direction of transmission – inbound to/outbound from the ERP system;
- d) Data transmitted – high-level description of data that will be sent;
- e) Triggering event – the condition(s) that will cause the interface to be executed;
- f) Frequency of interface – how often the interface will be executed (for example, on demand, weekly, etc.);
- g) Type of interface – batch, near-real-time, real-time; and
- h) Level of complexity to build – simple, average, or complex.

Data will be captured on potential interfacing systems in two ways: (1) during **work session** discussions, and (2) through **data captured in an interfacing system survey** of user agencies. The survey will be used in identifying "shadow systems" in user agencies that would otherwise go undetected.

### 4. Data Conversion Requirements

The Contractor will work closely with the project sponsors and key project stakeholders to develop data conversion requirements to be included in the RFP. The Contractor analysis will address:

- a) Data conversion strategy (e.g., static data and beginning balances vs. historical data);
- b) Type of data to be converted;
- c) Anticipated data volumes;
- d) Source of data;



- e) Targeted module(s) of ERP system (or other system if applicable);
- f) Timing of conversion;
- g) Automated or manual; and
- h) Level of complexity to convert (simple, average, or complex).

The information documented as part of this analysis will be included in the “Data Conversion” section of the RFP for ERP software and integration services to provide prospective vendors with enough detail to properly address the State’s data conversion requirements.

The table that follows presents the key Contractor and State roles and responsibilities for the project.

**Key Contractor (ISG) and State Roles and Responsibilities**

Roles	State/ISG	Responsibilities
Engagement Partner	ISG	<ul style="list-style-type: none"> <li>▪ Perform quality assurance</li> </ul>
ISG Project Manager	ISG	<ul style="list-style-type: none"> <li>▪ Manage the requirements development process</li> </ul>
ISG Business Analyst/ ISG ERP SME	ISG	<ul style="list-style-type: none"> <li>▪ Perform initial interviews with State SMEs</li> <li>▪ Refine ISG baseline requirements based on information gathered during the interview process</li> <li>▪ Load baseline requirements into DecisionDirector</li> <li>▪ Conduct facilitated requirements work sessions with State SMEs</li> <li>▪ Finalize requirements based on feedback from State SMEs</li> </ul>
State Project Manager	State	<ul style="list-style-type: none"> <li>▪ Lead the identification of State SMEs to participate in the requirements development process</li> <li>▪ Manage State SME participation in the requirements development process</li> <li>▪ Manage the deliverable review process</li> </ul>
State SMEs	State	<ul style="list-style-type: none"> <li>▪ Participate in facilitated requirements meetings</li> <li>▪ Access DecisionDirector and provide feedback on requirements</li> <li>▪ Approve software requirements</li> </ul> <p>Attachment 7 provides estimated commitment needed from State SMEs</p>

**A.5 – Develop Statement of Work for the MAIN Replacement RFP**

Section A.5 - Milestones:

1. **Statement of Work (SOW)**
2. **Evaluation Guide**
3. **Demonstration Scripts** (Software Demonstration and Integration Services Oral Presentation Scripts)

The Contractor will provide technical assistance with development of the Statement of Work (SOW) issued by the State for the ERP software and implementation/integration services. This activity includes the creation of an evaluation plan to document the State’s desired evaluation criteria and approach. The RFP will then be structured to gather from vendors the information necessary to complete the evaluation, selection, and negotiation activities.

In accordance with the agreed-upon ERP Strategy, the project team including the Contractor, State subject matter experts, and project sponsors/stakeholders will develop the SOW to clearly define the scope of the services expected from each Contractor and to provide sufficient information about the current systems environment and functional needs of the State in order to minimize the potential for future change orders.



The SOW includes narrative information to address ERP software and implementation/integration services requirements and associated costs. The State will provide an RFP document template as the "starting point" for developing the SOW. As needed, the Contractor will merge this template with State procurement standards or required language (e.g., standard forms and/or terms and conditions). The project team will be responsible for developing the SOW and will work jointly with the State's project management and procurement office on this task.

The Contractor will facilitate the development of a comprehensive evaluation process, including selection criteria to be used in evaluating, and ultimately selecting, a vendor software solution and associated integration services. The content of the evaluation guide will be developed using State input and will leverage the intellectual capital and prior experience (e.g., evaluation criteria, scoring/weighting framework) that the Contractor has developed and refined during previous projects of this type for other state governments. In developing an evaluation guide, the Contractor will document:

Evaluation criteria to be used in the selection process;

- a) Evaluation scoring system to be followed; and
- b) Evaluation committee membership and organization, including roles and responsibilities.

The purpose of this phase is to:

1. **Develop an RFP to** support the acquisition of ERP software and associated integration and implementation services;
2. **Develop an Evaluation Process**, including Evaluation Committee composition and scoring criteria; and
3. **Develop Demonstration Scripts** that will be used to evaluate, and ultimately select, a vendor software solution and associated integration services.

**1. Develop RFP**

The Contractor will develop the RFP for ERP software and associated integration and implementation services and provide technical assistance in the development of the Statement of Work (SOW) issued by the State for the ERP software and implementation/integration services.

In accordance with the agreed-upon procurement strategy, the Contractor will work with the project sponsors/stakeholders, project management, and the procurement office to develop an RFP to acquire software and integration/implementation services that best meet the State's critical system requirements and strategic goals. A primary goal of the RFP is to clearly define the scope of the services expected from each proposer and to provide sufficient information about the current state of the State in order to minimize the potential for future change orders.

The RFP is expected to consist of two (2) parts. The first part is a traditional RFP document that includes narrative information to address ERP software and implementation services requirements and associated costs. The Contractor will utilize an RFP document template provided by the State as the "starting point" for developing the State's RFP(s). The Contractor will also utilize intellectual property maintained by the Contractor and used for other statewide ERP procurements in developing the RFP.

The second part of the RFP is the on-line response environment in DecisionDirector. The RFP document will reference DecisionDirector as containing all of the functional requirements.

Within the process of drafting the RFP, the most significant effort will consist of the defining the Statement of Work (SOW) through the use of Contractors materials, as refined through a series of working sessions with project stakeholders and the procurement office. An SOW developed by the Contractor would typically include, but not be limited to, the following:

- Description of Software and Functionality to be Provided
- Implementation Timeline
- Software/Tools to be Provided
  - ERP Solution Software and License Agreements
  - Support Products and License Agreements





- o Ongoing Software Maintenance Agreements
- Technical Infrastructure/Services to be Provided
  - o Hosted Non-Production Services
  - o State's Production Environment
  - o Optional Hosted Production Services
- Project Staffing
  - o Individuals Proposed for Key Positions
  - o Individuals Proposed for Other Positions
  - o Organization Chart
  - o Work Locations
- Project Management Services
  - o Project Startup
  - o Project Governance Support
  - o Change Control Process
  - o Development Pool of Hours
  - o Incident Severity and Resolution Timeframes
  - o Service Level Agreement Penalty and Credit Process
  - o Project Time Reporting
  - o Internal Reporting Requirements
  - o Documentation of Meetings and Decisions
  - o Risk Management
  - o Deliverable Expectation Document & Deliverable Review Process
  - o Project Work Plan
- Enterprise Readiness Services
  - o Communications
  - o Change Management
  - o Agency Readiness
  - o Project Team Training
  - o End-User Training
- Business Process Review Services
  - o Business Process Review Activities
  - o Shared Services Evaluation
- Implementation Services
  - o Requirements
  - o Requirements Validation
  - o Business Process Design
  - o Internal Controls
  - o Security
  - o Software Configuration
  - o Workflow Configuration
  - o Interfaces
  - o Data Conversion
  - o Forms
  - o Reports Analysis and Development
  - o Data Warehouse/Business Intelligence
  - o Enhancements and Modifications
  - o Testing
  - o User Acceptance Testing
  - o FHWA Demonstrations
  - o Documentation Standards
  - o Deployment Support Services
- Production Support
  - o Help Desk
  - o Functional Support
  - o Reporting Support
  - o Defect Issue Resolution
  - o Technical Infrastructure Support
  - o Disaster Recovery Testing



The final RFP contents may include, but not be limited to, the following:

- Introduction (background, purpose, scope)
- RFP schedule of events;
- General requirements and Information;
- Special requirements;
- Proposal format and content;
- Evaluation and contract award information;
- Standard contract information (terms and conditions);
- Pro forma contract;
- Pre-proposal conference information;
- Documentation of existing State administrative systems (including usage metrics);
- Documentation of State resources available to work on the project;
- Documentation of facilities and equipment to be provided by the State;
- Functional requirements (in matrix format);
- Technical and general requirements;
- Interfacing system requirements;
- Data conversion requirements;
- Training requirements;
- Change management requirements;
- Expected roles/responsibilities;
- Web portal requirements, if any;
- Required deliverables and associated deliverables-based payment schedule;
- Vendor qualifications and experience;
- Implementation and post-implementation services to be provided; and
- Cost (typically submitted separately).

Upon completion of the final draft of the RFP, The Contractor will review the draft with the State’s Legal Counsel, procurement officers, project management and sponsors, and then incorporate their comments and finalize the document.

**2. Develop Evaluation Process**

The Contractor shall create a comprehensive set of **selection criteria** to be used in evaluating a vendor software solution and associated integration services and will document the **evaluation process** in a **formal Evaluation Guide**. The content of the Evaluation Guide will be developed based on State staff input and from Contractor team’s intellectual capital and prior experience. In developing an Evaluation Guide, the Contractor will document:

- Evaluation process flow;
- Evaluation criteria to be used in the selection process;
- Evaluation scoring system to be followed; and
- Evaluation committee organization, membership, roles and responsibilities.

**3. Demonstration Scripts**

Software demonstrations offer the Evaluation Committee a chance to observe the “look-and-feel” of the proposed software, in addition to evaluating key elements of functionality. Oral presentations by the systems integrator offer the Committee an opportunity to greater understanding of the consulting approach of the vendor and see the “chemistry” (or lack thereof) between the vendor’s team and the State.

The Contractor will deliver comprehensive demonstration scripts. The demonstration scripts will focus on whether (and how) their products meet specific statewide and user-agency business needs and often require a four- to five-day time commitment per vendor to complete. The focus of these scripts will be on those functional areas that are likely to be key differentiators between various ERP solution offerings (e.g., procurement, time collection) or where ERP vendors may have had to partner with one or more best-of-breed software vendors to fully meet the State’s requirements. The product presentations will require a large time commitment from the Evaluation Committee, but will enable State to make an informed and proper selection upon completion of this activity.



The table that follows presents the key Contractor and State roles and responsibilities for the project.

**Key Contractor (ISG) and State Roles and Responsibilities**

<b>Roles</b>	<b>State/ISG</b>	<b>Responsibilities</b>
Engagement Partner	ISG	<ul style="list-style-type: none"> <li>▪ Perform quality assurance</li> </ul>
ISG Project Manager	ISG	<ul style="list-style-type: none"> <li>▪ Lead the development of the Statement of Work (SOW)</li> <li>▪ Review SOW draft with State leadership and then incorporate their comments and finalize the SOW</li> <li>▪ Lead the development of the evaluation process</li> </ul>
ISG Business Analyst/ ISG ERP SME	ISG	<ul style="list-style-type: none"> <li>▪ Identify baseline and unique candidate demonstration scripts</li> <li>▪ Draft initial demonstration scripts</li> <li>▪ Facilitate demonstration script review and validation meeting</li> <li>▪ Finalize demonstration scripts</li> </ul>
State Project Manager	State	<ul style="list-style-type: none"> <li>▪ Review and approve evaluation process</li> <li>▪ Review and approve SOW</li> <li>▪ Review and approve demonstration scripts</li> <li>▪ Manage the deliverable review process</li> </ul>
DTMB Procurement Buyer	State	<ul style="list-style-type: none"> <li>▪ Review and approve evaluation process</li> <li>▪ Review and approve the SOW</li> </ul>
State SMEs	State	<ul style="list-style-type: none"> <li>▪ Assist with demonstration scripts development</li> </ul> <p>Attachment 7 provides estimated commitment needed from State SMEs</p>

**A.6 – Evaluation Committee Support**

Section A.6 - Milestone:

**1. Resource(s) to assist the Evaluation Committee**

The Bidder will provide a resource(s) to assist the Evaluation Committee in evaluating the vendor offerings received. All activities described below will be conducted in coordination with the State identified Joint Evaluation Committee and will be provided as supporting role to the State’s designated procurement representative.

- a. Present for Pre-Bid Conference
- b. Draft and coordinate responses to bidder questions in accordance with RFP instructions
- c. Provide orientation to the Evaluation Committee regarding the tools and techniques of evaluation process, as documented in the Proposal Evaluation Guide
- d. Conduct an initial compliance review to determine that vendor proposals meet all minimum experience and administrative requirements as documented in the RFP. Those that do not pass administrative compliance are returned to the respondent and eliminated from future consideration by the State;
- e. Perform an independent review of vendor proposal to assist the Evaluation Committee in completing their initial evaluations. This step will also capture points requiring vendor clarifications;
- f. Draft transmittal letters and instructions for bidders participating in oral presentations and software demonstrations. Additionally Contractor will organize the logistical details required for conduct of oral presentations and software demonstrations (e.g., meeting facilities, transmittal letters, instructions).



- g. Facilitate vendor oral presentations and software demonstrations. This step encompasses both time management and vendor adherence to the script to ensure that all Evaluation Committee objectives are achieved during the presentations and demonstrations;
- h. Provide a Gap Analysis of Functional Requirements to Proposed Software Functionality.
- i. Coordinate verification of representations and references made by the bidders (As part of evaluation committee support, the advisory consulting Contractor may be asked to assist with verification of references made by the MAIN ERP bidder (s). The tasks involved may be scheduling interviews, preparing scripts for the interviews, participating in interviews, etc.) The deliverable for the validation of references will be in the form of a PowerPoint document that outlines key points of clarification as appropriate.
- j. Scheduling oral interviews and reference checks to verify representations and references made by the vendors. The Contractor will provide interview guides and reference check questionnaires to ensure thorough documentation of results across vendors;
- k. Prepare detailed cost analyses that will indicate opportunities for cost savings to the State. The analysis of cost variances will indicate areas where a vendor's proposal may fall short of the State's requirement. If required, the Contractor will assist with the preparation of a formal Request for Best and Final Offers (BAFO) and the evaluation of vendor BAFO responses.
- l. In accordance with the Proposal Evaluation Guide, assisting in the final scoring and calculation of scores to arrive at formal recommendation of award from the Evaluation Committee; and
- m. Support high-level contract negotiations for:
  - a. Executed Contract between State and System Integrator,
  - b. ERP Software License and Annual Maintenance Agreement and
  - c. Third Party Software License and Annual Maintenance Agreement(s) (as applicable)

The Contractor will prepare a negotiations strategy to support final contract negotiations. The Contractor will analyze exceptions to the State's terms and conditions, review all vendor assumptions, and document strategies to achieve the most favorable terms and costs for the State.

**Initiation of work will follow the same process identified in Section 1.104.B.**

Evaluation committee support begins immediately upon the State's issuance of the RFP. The Contractor will maximize the use of the vendor response period to set the stage for an efficient and successful evaluation process. The ultimate purpose of this phase is to assist the Evaluation Committee in evaluating the vendor proposals.

During this phase, all activities performed by the Contractor will be coordinated with the State's designated procurement representative and/or the evaluation committee, as appropriate. The Contractor will take a lead role in preparing for the activities below and the work will be reviewed and approved by the State.

To facilitate vendor response to the State's functional requirements, the Contractor will establish secure, on-line response forums within DecisionDirector for each vendor that submits a proposal. The Contractor will provide responding vendors with log-ins, instruction, and support to facilitate responses that are complete and timely. Vendors will remain responsible for the accuracy of their responses.

This official response environment in DecisionDirector (known as DD2) will open upon the release of the RFP and will close at the date and time designated in the RFP.

After the vendor response environment closes, the Contractor will provide the State with a series of vendor response transcripts, comparison and evaluation reports that are used for fit/gap analysis and in facilitating the scoring of functional and technical system requirements.



In addition to various vendor evaluation charts and response transcripts and listings, The Contractor will also provide detailed ranking reports.

The Contractor will assist State staff in establishing a negotiations strategy and plan for each session based upon legal requirements and agency priorities. Multiple rounds of negotiations may include: (1) an initial round of negotiations with one or more finalists to resolve business issues (prices, staffing, scope, etc.); and (2) announcement of the State's intent to conduct final negotiations with one or more vendors. The Contractor will assist the State in negotiating software license agreements and in developing the Statement of Work (SOW) between the awarded ERP software vendor and systems integrator and the State.

The final contract is typically composed of the following components that cover the full range of software and services to be delivered as part of the ERP project:

- Contract – Often in the form of a professional services agreement that covers the responsibilities of the prime vendor for all parts of the engagement;
- Statement of Work – Provides specifics regarding the services to be delivered and generally governs the execution of the consulting activities delivered by the systems integrator;
- ERP Software Agreement – Software licensing and maintenance agreements that establish the terms of use for the ERP software and the maintenance and upgrade services to be provided by the software vendor;
- Third Party Agreements – Depending upon the final scope of the project, additional third-party agreements may be needed to complete all aspects of the project (e.g., tax-table software, testing tools, training agreements); and
- Various other forms required by the State.

The State will determine the final composition of the Contract.

The table that follows presents the key Contractor and State roles and responsibilities for the project.

**Key Contractor (ISG) and State Roles and Responsibilities**

Roles	State/ISG	Responsibilities
Project Advisor	ISG	<ul style="list-style-type: none"> <li>▪ Lead the formulation of negotiation strategy and prepare negotiation strategy document</li> <li>▪ Assist in negotiating contract(s)</li> </ul>
Engagement Partner	ISG	<ul style="list-style-type: none"> <li>▪ Assist in formulating negotiation strategy</li> <li>▪ Perform quality assurance on all deliverables</li> </ul>
ISG Project Manager	ISG	<ul style="list-style-type: none"> <li>▪ Assist with the execution of the procurement process</li> <li>▪ Prepare pre-proposal conference presentation materials</li> <li>▪ Coordinate responses to vendor questions</li> <li>▪ Provide orientation to the Evaluation Committee</li> <li>▪ Lead the performance of an independent review of vendor proposals</li> <li>▪ Assist in formulating the negotiation strategy</li> <li>▪ Facilitate vendor oral presentations and software demonstrations</li> </ul>
ISG Business Analyst/ ISG ERP SME	ISG	<ul style="list-style-type: none"> <li>▪ Assist in performing an independent review of vendor proposals</li> <li>▪ Assist with facilitating vendor oral presentations and software demonstrations</li> <li>▪ Analyze gaps in proposed software functionality</li> </ul>



Roles	State/ISG	Responsibilities
State Project Manager	State	<ul style="list-style-type: none"> <li>▪ Assist with the execution of the procurement process</li> <li>▪ Review vendor proposals</li> <li>▪ Participate in the review of vendor proposals</li> <li>▪ Assist with formulating the negotiation strategy</li> <li>▪ Assist with facilitating vendor oral presentations and software demonstrations</li> </ul>
DTMB Procurement Buyer	State	<ul style="list-style-type: none"> <li>▪ Lead the execution of the procurement process</li> <li>▪ Ensure procurement process complies with State rules and regulations</li> <li>▪ Assist with responding to vendor questions</li> </ul>
State SMEs	State	<ul style="list-style-type: none"> <li>▪ Perform an independent review of vendor proposals</li> <li>▪ Attend vendor oral presentations and software demonstrations</li> <li>▪ Analyze gaps in proposed software functionality</li> </ul>

During the evaluation phase, the State Project Manager and DTMB Procurement Buyer will execute the procurement process. The SMEs can expect to be assigned to work on the project on a full-time basis for at least one (1) month.

If necessary, update the business case analysis documents to reflect the final scope, timing, and alternatives as they are further refined. The State has previously created Return on Investment (ROI)/Cost documentation and a high-level project timeline; however the Contractor may be required to create new documents as well. This activity will include establishing initial set of Benefits Realization Metrics and capture the baseline. The IV&V Contractor will capture metrics realization at each phase of the project.

**Initiation of work will follow the same process identified in Section 1.104.B.**

**B. Reserve Bank of Hours**

Funding for the Optional Reserve Bank of Hours will be utilized for any work not included in Section 1.104A of the Contract cost table. It shall be at the sole discretion of the State whether the work effort required for these activities supplants and supersedes existing work or is to be provided via the Reserve Bank of Hours as supplemental work. Funding for the Reserve Bank of Hours will be available for IV&V/Quality Assurance Tasks.

During the term of the contract, if the State issues Statements of Work (SOW), to draw against the Reserve Bank of Hours, the Contractor shall be required to respond to the SOW within ten (10) business days. The Contractor's response shall include an estimate of the work required to complete the SOW utilizing the fully loaded labor rates listed in the Contractor's pricing proposal, and a schedule for expected delivery.

For fixed price SOWs, Contractor's response shall include an estimate of the work required to complete the SOW, a listing of scheduled milestones, deliverables, and the planned completion date. SOW deliverables shall generally follow the requirements as outlined for their comparable tasks in the base contract.

For Time & Materials (staff augmentation) SOWs, Contractor's response shall include the required positions, time frames and the associated labor rates as identified and accepted in Attachment 5, Table 2.



Upon written approval by the State, each SOW shall become a component of the contract, subject to the same terms and conditions of the Contract.

The Contractor may also supply unsolicited fixed price proposals for SOWs for improvements and enhancements beyond the capacity or skills of the resources included in the base contract. Contractor initiated SOWs shall be considered, accepted, or rejected at the sole discretion of the State.

Section B – Deliverables:

1. Approved Statement of Work
2. State-accepted deliverables, specific to the SOW

**C. Independent Verification and Validation (IV&V) (Optional)**

**IV&V Tasks are optional and available through this Contract for the State to exercise.**

Initiation of work will follow the same process identified in Section 1.104.B.

Upon written approval by the State, each SOW shall become a component of the contract, subject to the same terms and conditions of the Contract.

**1.200 Roles and Responsibilities**

**1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES**

The Contractor has partner with the following approved Subcontractor:

<b>Subcontractor Name</b>	eVision Partners, Inc. ( <a href="http://www.evisionpartners.com">www.evisionpartners.com</a> )
<b>Address</b>	9660 Falls of Neuse Road, Suite 138 #256 Raleigh, NC 27615
<b>Place of Performance</b>	1412 Coolmore Drive, Raleigh, NC 27614 eVision Partners, Inc. physical HQ location – owned by eVision Partners, Inc.
<b>Contact Person / Details</b>	Robert C. Cooney, President and Managing Partner; email: <a href="mailto:RCooney@evisionpartners.com">RCooney@evisionpartners.com</a> Phone: (919) 341-7793
<b>Description of Work provided by Subcontractor</b>	eVision Partners, Inc. will assist and support the ISG team in the following areas: <ul style="list-style-type: none"> <li>▪ Preparing a recommended governance structure;</li> <li>▪ Development of the proposed funding model;</li> <li>▪ Initial scope analysis for project management systems;</li> <li>▪ Initial scope analysis in regards to any MDOT specific considerations;</li> <li>▪ Initial scope analysis in terms of assessing potential use of SaaS implementation models;</li> </ul>



	<ul style="list-style-type: none"> <li>▪ Defining conversion approach and defining conversion requirements from the State's existing R*STARS system;</li> <li>▪ Preparing requirements for project management functionality ;</li> <li>▪ Preparing requirements for any MDOT specific business considerations or requirements; and</li> <li>▪ Updating the project work plan and project business case.</li> </ul>
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The Contractor shall have a presence on-site during any session involving interviewing State staff (i.e. during Initial Analysis information gathering, requirements gathering sessions, IV&V, etc). All onsite work will take place in the greater Lansing area. All work that is not performed onsite must be performed within the United States. The Contractor will provide a project organizational chart upon request from the State identifying the prime Contractor staff, subcontractor staff, and anticipated State staff.

See below table for the requirements for each of the Key Personnel Roles:

Key Personnel Role	Experience Requirements
Single Point of Contact	<i>Not Applicable</i>
Engagement Partner	<i>Not Applicable</i>
Project Manager	<ul style="list-style-type: none"> <li>• 5 years of experience managing large scale government IT Consulting projects of similar size and scope of this RFP.                             <ul style="list-style-type: none"> <li>○ 5 years of experience creating and managing comprehensive IT consulting project plans utilizing project management flows and tools.</li> <li>○ 5 years of experience managing large, complex multi-year IT-related projects.</li> <li>○ 5 years of experience performing scope management for projects, including a disciplined change control process.</li> <li>○ 5 years of experience performing issue management across multiple Departments.</li> <li>○ 5 years of experience creating and executing Implementation plans.</li> <li>○ 5 years of experience creating Quality Assurance processes and plans.</li> <li>○ 5 years of experience in verbal and written communication with clients and technical staff in English.</li> </ul> </li> <li>• 5 years of experience facilitating meetings w/ clients &amp; stakeholders</li> <li>• Project Management of IT projects in excess of \$2M project cost and project duration longer than 2 years.</li> <li>• Education: Bachelor's degree</li> </ul>





Business Analyst	<ul style="list-style-type: none"> <li>• 5 years of experience analyzing governmental business requirements related to the ERP Functional Areas identified in this RFP.</li> <li>• Candidates must have experience in the following Functional Areas, at a minimum:             <ul style="list-style-type: none"> <li>○ Budget Preparation,</li> <li>○ General Ledger,</li> <li>○ Accounts payable,</li> <li>○ Accounts receivable and billing</li> <li>○ Reporting</li> </ul> </li> <li>• 5 years of experience in developing technical and business strategies, approaches, and recommendations.</li> <li>• 5 years of experience in facilitating requirements gathering, alternative analysis, and dispute resolution.</li> <li>• Education: Bachelor's degree</li> </ul>
ERP Subject Manager Expert	<ul style="list-style-type: none"> <li>• 5 years of experience in performing ERP advisory roles or ERP implementation projects.</li> <li>• Documented experience in participating in ERP RFP evaluation and selection process for projects similar in size and scope to the Project.</li> <li>• 5 years of experience in developing technical and business strategies, approaches, and recommendations.</li> <li>• 5 years of experience analyzing governmental business requirements related to the ERP Functional Areas identified in this RFP.</li> <li>• Candidates must have experience in the following Functional Areas, at a minimum:             <ul style="list-style-type: none"> <li>○ Budget Preparation,</li> <li>○ General Ledger,</li> <li>○ Accounts payable,</li> <li>○ Accounts receivable and billing</li> <li>○ Reporting.</li> </ul> </li> <li>• Education: Bachelor's degree</li> </ul>
Technical Writer	<ul style="list-style-type: none"> <li>• 5 years of experience writing Request for Proposal (RFP) Documents. Preference will be given to those candidates with experience in RFPs writing for Information Technology projects with budgets greater than \$10,000,000 or timeline greater than 3 years.</li> <li>• Technical writer must have experience in writing major portions of a similar sized RFP or SOW including deliverables mentioned in 1.104.A.5)</li> <li>• 5 years of experience in verbal and written communication with business and technical staff in English.</li> <li>• 5 years of experience in documenting requirements gathering, alternative analysis, and project recommendations.</li> <li>• Education: Bachelor's degree</li> </ul>

The following chart provides a description of the skills and responsibilities of each project role.

Role	Responsibility	Skills
Project Advisor / Lead Negotiator	<ul style="list-style-type: none"> <li>▪ Provide high level guidance to the project team</li> <li>▪ Lead implementation/software vendor negotiations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Excellent written and oral communication skills</li> <li>▪ Exhibits Project Leadership skills</li> <li>▪ Multiple years' experience with public</li> </ul>



		<p>sector information technology projects</p> <ul style="list-style-type: none"> <li>▪ Provides decision-making powers, strong leadership, and effective negotiation skills</li> </ul>
Engagement Partner / Single Point of Contact	<ul style="list-style-type: none"> <li>▪ Act as the sole point of contact for legal or statement of work questions</li> <li>▪ Serve as a member of the steering committee</li> </ul>	<ul style="list-style-type: none"> <li>▪ Excellent written and oral communication skills</li> <li>▪ Exhibits Project Leadership skills</li> <li>▪ Multiple years' experience with public sector information technology projects</li> <li>▪ Provides decision-making powers, strong leadership, and effective negotiation skills</li> </ul>
Project Manager / Technical Writer	<ul style="list-style-type: none"> <li>▪ Creates and executes project work plans and timelines and revises as appropriate to meet changing needs and requirements</li> <li>▪ Manages day-to-day operational aspects of a project and scope</li> <li>▪ Effectively communicates relevant information to project team</li> <li>▪ Facilitates team and client meetings</li> <li>▪ Prepares and distributes regular status reports and distributes internally and externally if necessary</li> <li>▪ Resolves and /or escalates issues in a timely fashion</li> <li>▪ Monitors scope creep and re-scopes projects if necessary</li> <li>▪ Drafts statement of work</li> </ul>	<ul style="list-style-type: none"> <li>▪ Excellent written and oral communication skills</li> <li>▪ Multiple years' experience with public sector information technology projects</li> <li>▪ Exhibits Project Management skills</li> <li>▪ Uses influence to initiate action and impact decisions</li> <li>▪ Obtains resources and approvals</li> <li>▪ Possesses broad knowledge of the government</li> <li>▪ Adjusts to varying demands, deals effectively with new, different, and stressful situations</li> <li>▪ Works effectively with all levels of management; providing detailed guidance to project team members</li> <li>▪ Views the "big picture" of the project's goals and vision, while performing detailed analysis tasks</li> </ul>
Business Analyst / ERP Subject Manager Expert	<ul style="list-style-type: none"> <li>▪ Documents business requirements</li> <li>▪ Draft demonstration scripts</li> <li>▪ Assist with vendor evaluation and selection timeframe</li> </ul>	<ul style="list-style-type: none"> <li>▪ Multi-module ERP experience (e.g., budget development, budget control, position control)</li> <li>▪ Public sector experience</li> <li>▪ Strong presentation, verbal and written communication skills with the ability to articulate complex ideas in easy to understand business terms to all levels of management including senior leaders</li> <li>▪ Possesses strong organizational and task management skills</li> <li>▪ Possesses good analytical skills</li> <li>▪ Views the "big picture" of the project's goals and vision, while performing detailed analysis tasks</li> <li>▪ Exhibits effective team skills</li> <li>▪ Ability to make decisions at the project team level and properly escalate those decisions that cannot be resolved on a timely basis</li> </ul>

The following chart outlines the Key Personnel assigned to each role.

Key Personnel Role	Key Personnel Assigned					
	Kirk Teal	David Boyd	Drew Thigpen	Chip Julian	Robert Cooney	Mitt Salvaggio
Single Point of Contact	X					
Engagement Partner	X					
Project Manager		X				
Business Analyst			X	X	X	X
ERP Subject Manager Expert			X	X	X	X
Technical Writer		X				



The table below identifies the staff person's overall time commitment and provides a high-level description of each person's responsibility in each project phase.

**Roles and Responsibilities**

Role	Overall Time Commitment	Phase 1 - Project Start-Up (1.104.A.1, A.1.5,A.2)	Phase 2 - Define System Requirements (1.104.A.3, A.4)	Phase 3 - Develop Statement of Work (1.104.A.5.1)	Phase 4 - Evaluate and Select Vendors (1.104.A.5.2, A.5.3, A.6)
<b>Project Advisor/Lead Negotiator</b>					
Mitt Salvaggio	Part-time	<ul style="list-style-type: none"> <li>Provide high-level guidance</li> </ul>	<ul style="list-style-type: none"> <li>Provide high-level guidance</li> </ul>	<ul style="list-style-type: none"> <li>Provide high-level guidance</li> </ul>	<ul style="list-style-type: none"> <li>Provide high-level guidance</li> <li>Lead contract negotiations</li> </ul>
<b>Single Point of Contact/Engagement Partner</b>					
Kirk Teal	Part-time	<ul style="list-style-type: none"> <li>Serve as single point of contact</li> <li>Provide project leadership and quality assurance</li> </ul>	<ul style="list-style-type: none"> <li>Serve as single point of contact</li> <li>Provide project leadership and quality assurance</li> </ul>	<ul style="list-style-type: none"> <li>Serve as single point of contact</li> <li>Provide project leadership and quality assurance</li> </ul>	<ul style="list-style-type: none"> <li>Serve as single point of contact</li> <li>Provide project leadership and quality assurance</li> </ul>
<b>Project Manager</b>					
David Boyd	Full-time	<ul style="list-style-type: none"> <li>Manage project, including leading the development of initial project management deliverables</li> </ul>	<ul style="list-style-type: none"> <li>Manage project</li> </ul>	<ul style="list-style-type: none"> <li>Manage project</li> </ul>	<ul style="list-style-type: none"> <li>Manage project</li> <li>Lead vendor evaluation and selection</li> </ul>
<b>Technical Writer</b>					
David Boyd	Full-time	<ul style="list-style-type: none"> <li>Assist with deliverable development</li> </ul>	<ul style="list-style-type: none"> <li>Assist with deliverable development</li> </ul>	<ul style="list-style-type: none"> <li>Lead development of statement of work</li> </ul>	
<b>Business Analyst/ERP Subject Matter Experts</b>					
Drew Thigpen	Part-time	<ul style="list-style-type: none"> <li>Lead development of the funding plan</li> </ul>			
Chip Julian	Full-time	<ul style="list-style-type: none"> <li>Lead updating of the business case</li> </ul>			
Robert Cooney	Part-time		<ul style="list-style-type: none"> <li>Lead DOT business requirements gathering</li> </ul>	<ul style="list-style-type: none"> <li>Assist with developing statement of work</li> </ul>	
John Natteford	Full-time		<ul style="list-style-type: none"> <li>Lead financial/procurement business requirements gathering</li> </ul>		<ul style="list-style-type: none"> <li>Assist with vendor evaluation and selection</li> </ul>
Marsha Edwards	Full-time		<ul style="list-style-type: none"> <li>Lead HR/Payroll business requirements gathering</li> </ul>		<ul style="list-style-type: none"> <li>Assist with vendor evaluation and selection</li> </ul>
Mitt Salvaggio	Part-time		<ul style="list-style-type: none"> <li>Lead Budget Development business requirements gathering</li> </ul>		<ul style="list-style-type: none"> <li>Assist with vendor evaluation and selection</li> </ul>



**1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES**

The State will utilize a core team concept, having a team in place for the MAIN Replacement project and responsible for bringing in other members when necessary and appropriate. The MAIN Replacement Project has an overall project manager who will be working with the Contractor's project manager to oversee the entire project, including integration management, scope management, cost/budget management, schedule/time management, risk/issue management, quality management, people/HR management, communications management, and procurement management.

Contractor staff will have access to the necessary subject matter experts during the engagement as coordinated by the State Project Manager.

The State will identify the SME's by name and their percentage allocation for this project during the initial project planning activities.

Role	Agency & Description	SOM Personnel Assigned
State Project Manager	DTMB-IT Customer Services Bureau	Sharmila Patke
IT Project Lead	DTMB – IT Customer Services Bureau - Overall Lead for SOM IT related items. Will be responsible for approving invoices.	Lisa Evani
Business Lead	DTMB – SBO – Office of Financial Management	Lora Mikula
Customer Services Bureau Representatives	Will coordinate any input required from additional DTMB-IT areas	TBD
Business Analysts	DTMB – State Budget Office	TBD
Security Technical Lead	DTMB – IT Michigan Cyber Security	TBD
Enterprise Architect Advisor	DTMB – IT Enterprise Architecture	TBD
Technical Analysts	DTMB – IT	TBD
Subject Matter Experts	Agency subject matter experts for specific functional areas	TBD
DTMB Procurement Buyer	Will assist in drafting of RFP	Steve Motz

**State Project Manager – 100% dedicated**

The State's Project Manager will provide the following services:

1. Coordinate State facilities, as needed
2. Coordinate the State resources necessary for the project
3. Facilitate coordination between various external contractors
4. Facilitate communication between different State departments/divisions
5. Review deliverable/milestone prior to approval by IT Project Lead
6. Review timesheets and invoices prior to approval by IT Project Lead
7. Resolve project issues
8. Escalate outstanding/high priority issues
9. Utilize change control procedures
10. Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
11. Document and archive all important project decisions
12. Arrange, schedule and facilitate State staff attendance at all project meetings.

The State will provide office and meeting room space for on-site project-related meetings and other project-related purposes. Access will be provided to telephones, Internet connections, copiers, and fax machines, as needed, to complete project tasks.

**1.203 OTHER ROLES AND RESPONSIBILITIES - RESERVED**



**1.300 Project Plan**

**1.301 PROJECT PLAN MANAGEMENT**

A project plan must be delivered within the first ten (10) business days after the effective date of the contract and will be reviewed and agreed to by the State as the baseline project plan. The project plan, based on the RFP submitted project schedule, must reflect the tasks lists identified in each section of the RFP. Any changes to scope, schedule or budget must follow a change management process, and they must be agreed upon and communicated to the State of Michigan's Project Manager in writing explaining the reason for the change and the impact on scope, schedule, and/or budget.

The Contractor will manage the project in accordance with the best practices and guidelines in PMBOK® (Project Management Body of Knowledge from the Project Management Institute). The State's PMM is available at [www.michigan.gov/projectmanagement](http://www.michigan.gov/projectmanagement). The intent of these requirements are to deliver the highest quality solution by deploying and maintaining best practices, methodologies, tools, and knowledge within a structured framework.

The project plan shall:

- (a) Provide documentation of Management and System requirements that allows for a descriptive interpretation to understanding the management approach. The amount, type, and format of project documentation required needs to be agreed upon, and it is dependent upon the size and scope of the project.
- (b) Provide a detailed process for controlling the development of all deliverables. This would include controlling access to documents and version control.

The Contractor will use an automated tool(s) for planning, monitoring, and tracking the Contract's progress and the level of effort of any Contractor personnel spent performing Services under the Contract. Contractors who use software other than Microsoft Project, as a project management tool, need to specify this use.

The use of automated project management tools shall include the capability to produce:

- (a) Staffing tables with names of personnel assigned to Contract tasks.
- (b) Project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each (including detailed plans for all Services to be performed within the next sixty (60) calendar days, updated monthly). Updates must include a revised estimate to complete the deliverables.
- (c) Graphs showing critical events, dependencies and decision points during the course of the Contract. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting as agreed to by the Contractor and the State.

**1.302 PROJECT REPORTS**

(a) The Contractor must submit written monthly summaries or progress reports that outline work accomplished during the reporting period, work to be accomplished during the subsequent reporting period, if known; problems, real or anticipated, which should be brought to the attention of the State of Michigan Project Manager and notification of any significant deviation from the previously agreed upon work plans. All areas of decision making that pertain to this contract must be reviewed in detail with the State of Michigan Project Manager prior to any final decision. Each monthly progress report will contain the following:

- 1) Project schedule status. Identify if the project is on schedule or if there is any deviation from the previously agreed upon schedule. If the project has deviated from the previously agreed upon schedule, identify the reason for deviation and areas affected by the deviation. Identify in detail the steps that will be taken to resolve the deviation. Also specify any schedule adjustments that have resulted from the deviation.
- 2) Activities of the past month. Summarize the actions taken and progress made on the project during the past month.



- 3) Activities of the following month. Summarize the actions planned for the following month in order to meet the project delivery and performance schedule requirements.
  - 4) Deliverables. Identify deliverables delivered to the State of Michigan in the past month and deliverables planned for delivery to the State of Michigan in the following month.
  - 5) Issues and Risks. Identify risks, problems, difficulties, either anticipated or encountered, and suggested solutions.
  - 6) Resolution and/or status of prior issues. Identify resolutions to issues identified in previous progress reports.
  - 7) Percentage completed. Indicate the percentage completed for each task defined in the project plan during the past month, the total percentage completed for each task, total percentage completed for the development phase, and the total percentage completed for the project phase.
- (b) The Contractor will maintain progress and resource schedules for all tasks under this contract. This documentation will include, as appropriate, progress Gantt charts, resource schedule reports, and earned value charts showing budgeted work completed and budgeted work scheduled. The Contractor is responsible for tracking hours expended on each task.
- (c) A detailed report of invoices and corresponding time sheets (for Time & Material work) must be received by State of Michigan Project Manager by the 15<sup>th</sup> of each month. This report shall describe the work performed and time spent during the invoice period, current through the end of the previous month, for each task identified in the Work Statement.
- (d) All documentation prepared by the Contractor must be submitted to DTMB as both a printed hard copy and in Microsoft Word electronic format. Alternative electronic formats must be mutually agreed upon by the State of Michigan and the Contractor.
- (e) The Contractor's name, logo, or other company identifier may not appear on documentation delivered to the State without written authorization from the Contract Administrator. An exception to this will be transmittal of cover letters showing delivery of said documents.
- (f) All documentation submitted to the State of Michigan by the Contractor must contain a title page with the following information:
- Contract Number
  - Contract Expiration Date
  - Task Name (if applicable)
  - Name Of Contractor
  - Contractor Project Director
  - Date Of Deliverable Or Report
  - Time Period Of Deliverable Or Report
- (g) All reports and deliverables to be furnished by the Contractor shall be delivered to the State of Michigan Project Manager and are subject to approval by the State of Michigan Project Manager. The Contractor will inspect all reports and deliverables for accuracy and adequacy prior to delivery.
- (h) Written monthly summaries or progress reports must be submitted electronically to the State of Michigan Project Manager to ease distribution to pilot and other state agencies.

**1.400 Project Management**

**1.401 ISSUE MANAGEMENT**



An issue is an identified event or political task and concern that if not addressed may affect schedule, scope, quality, and/or budget.

The Contractor shall utilize the State's issue management process to log, manage, and track project related issues. The Contractor may also utilize an internal issue management process that contains the following minimum elements:

- Description of issue, including the identification of interdependencies with other related issues and the impacts if not resolved
- Issue identification date
- Responsibility for resolving issue
- Priority for issue resolution (to be mutually agreed upon by the State and the Contractor)
- Expected resolution date
- Resolution description

The Contractor shall maintain an issue management log to report out project-related issues. The issue management log must be communicated to the State of Michigan Project Manager, which include bi-weekly, or as agreed upon, email notifications and updates. Both parties must agree to escalation procedures and timeframes at the beginning of the project and whom escalation will involve on both sides.

**1.402 RISK MANAGEMENT**

A risk is an unknown circumstance or event affecting schedule, scope, quality, and/or budget that, if it occurs, may have a positive or negative impact on the project.

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

A risk management plan format shall be submitted to the State for approval within twenty (20) business days after the effective date of the contract resulting from the upcoming RFP. The risk management plan will be developed during the initial planning phase of the project, and be in accordance with the State's PMM methodology. Once both parties have agreed to the format of the plan, it shall become the standard to follow for the duration of the contract. The plan must be updated bi-weekly, or as agreed upon.

The Contractor shall provide a tool to track risks. The Contractor will work with the State and allow input into the prioritization of risks.

The Contractor is responsible for identification of risks for each phase of the project. Mitigating and/or eliminating assigned risks will be the responsibility of the Contractor. The State will assume the same responsibility for risks assigned to them.

**1.403 CHANGE MANAGEMENT**

The Contractor is responsible for establishing and utilizing a change control process. This process will be utilized to recommended modifications to agreed-upon phases, processes, etc. as well as enhancement requests above and beyond original scope of this Contract. This process includes the recording of proposed changes, impact assessments on scope, timeframes and project budget (if any), establishing change control triggers and reviews, and documentation of the final determination of the acceptance or denial of the proposed change. State identified stakeholders will make the final acceptance or denial decision based upon input from the Contractor and state staff. The final decision will be signed off on by both the Project Manager for the respondent and the State of Michigan Project Manager.

The Contractor can provide the tools for managing the change control process or the State will provide the tools if preferred. The Contractor and the State will jointly develop change controls and triggers during the project





initiation phase. The Contractor will perform the initial impact assessment (including schedule, cost, and risk), and both parties will participate in the formal change control reviews.

If a proposed change requires a contract change notice it will be submitted to the designated stakeholders and steering committee for State approval, and then sent to the DTMB Procurement Buyer, who will make recommendations to the Director of Procurement regarding ultimate approval/disapproval of change request. If all required approvals are obtained (including State Administrative Board if necessary), the Procurement Buyer will issue an addendum to the Contract, via a Contract Change Notice. Respondents who provide products or services prior to the issuance of a Contract Change **Notice by DTMB Procurement, risk non-payment for the out-of-scope/pricing products and/or services.**

**1.500 Acceptance**

**1.501 ACCEPTANCE CRITERIA**

In addition to the specific acceptance criteria identified below, the general acceptance criteria found in Section 2.250 apply. The following criteria will be used by the State to determine Acceptance of the Services, Software and Deliverables provided under this SOW.

**1. Document Deliverables**

Documents include, but are not limited to, plans, design documents, project schedules, user guides, technical support manuals and procedure manuals.

- a. Documents are dated and in electronic format, compatible with State of Michigan software in accordance with requirements throughout the Contract.
- b. Beta documents are not accepted as final deliverable.

**2. Service Deliverables**

Services include, but are not limited to MAIN Replacement RFP evaluation support, contract negotiation support, and optional IV&V activities.

- a. The services will be accepted in accordance with the requirements of this contract and the accepted Respondent's proposal.
- b. The Contractor has the tools and connectivity installed, in compliance with DTMB-IT standards, to properly support the project.

**1.6 Compensation and Payment**

**1.601 COMPENSATION AND PAYMENT**

Once a contract is awarded from the RFP, payments will be made based on a firm fixed price per deliverable with the exception of the Evaluation Support Tasks and Reserve Bank of Hours (See Sections 1.104.A.6 and 1.104.B). Although these are Time & Material rates the State reserves the right to request a firm fixed price through a Statement of Work using the rate card at a later date.

Complete Cost Tables in **Attachment 5** and submit with proposal.

**1.602 QUICK PAYMENT TERMS - RESERVED**



**Article 2 – General Terms and Conditions**

**2.000 Contract Structure and Term**

**2.001 CONTRACT TERM**

This Contract is for a period of **three (3) years** beginning **April 1, 2013** through **March 31, 2016**. All outstanding Purchase Orders must also expire upon the termination for any of the reasons listed in **Section 2.150** of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, shall remain in effect for the balance of the fiscal year for which they were issued.

**2.002 OPTIONS TO RENEW**

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

**2.003 LEGAL EFFECT**

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

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

**2.004 ATTACHMENTS & EXHIBITS**

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

**2.005 ORDERING**

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

**2.006 ORDER OF PRECEDENCE**

The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to the subject matter and as additional terms and conditions on the purchase order must apply as limited by **Section 2.005**.

In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work shall take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of the Contract. The Contract may be modified or amended only by a formal Contract amendment.



**2.007 HEADINGS**

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

**2.008 FORM, FUNCTION & UTILITY**

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

**2.009 REFORMATION AND SEVERABILITY**

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

**2.010 Consents and Approvals**

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

**2.011 NO WAIVER OF DEFAULT**

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

**2.012 SURVIVAL**

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

**2.020 Contract Administration**

**2.021 ISSUING OFFICE**

This Contract is issued by the Department of Technology, Management and Budget (collectively, including all other relevant State of Michigan departments and agencies, the "State"). DTMB-Procurement is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. The DTMB-Procurement Contract Administrator for this Contract is:

**Steve Motz**  
Department of Technology, Management and Budget, Procurement  
Mason Bldg, 2nd Floor  
PO Box 30026  
Lansing, MI 48909  
motzs@michigan.gov  
517-241-3215

**2.022 CONTRACT COMPLIANCE INSPECTOR**

The Director of DTMB-Procurement directs the person named below, or his or her designee, to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. **Monitoring Contract activities does not imply the**



**authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of the Contract. DTMB-Procurement is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract.** The Contract Compliance Inspector for this Contract is:

See Contract Cover Page

**2.023 PROJECT MANAGER**

The following individual will oversee the project:

See Section 1.202.

**2.024 CHANGE REQUESTS**

The State reserves the right to request from time to time any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, Contractor shall provide a detailed outline of all work to be done, including tasks necessary to accomplish the Additional Services/Deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the State requests or directs the Contractor to perform any Services/Deliverables that are outside the scope of the Contractor's responsibilities under the Contract ("New Work"), the Contractor must notify the State promptly before commencing performance of the requested activities it believes are New Work. If the Contractor fails to notify the State before commencing performance of the requested activities, any such activities performed before the Contractor gives notice shall be conclusively considered to be in-scope Services/Deliverables and not New Work.

If the State requests or directs the Contractor to perform any services or provide deliverables that are consistent with and similar to the Services/Deliverables being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the Statements of Work, then before performing such Services or providing such Deliverables, the Contractor shall notify the State in writing that it considers the Services or Deliverables to be an Additional Service/Deliverable for which the Contractor should receive additional compensation. If the Contractor does not so notify the State, the Contractor shall have no right to claim thereafter that it is entitled to additional compensation for performing that Service or providing that Deliverable. If the Contractor does so notify the State, then such a Service or Deliverable shall be governed by the Change Request procedure in this Section.

In the event prices or service levels are not acceptable to the State, the Additional Services or New Work shall be subject to competitive bidding based upon the specifications.

- (1) Change Request at State Request  
If the State requires Contractor to perform New Work, Additional Services or make changes to the Services that would affect the Contract completion schedule or the amount of compensation due Contractor (a "Change"), the State shall submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a "Change Request").
- (2) Contractor Recommendation for Change Requests:  
Contractor shall be entitled to propose a Change to the State, on its own initiative, should Contractor believe the proposed Change would benefit the Contract.
- (3) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor's proposal shall include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.



- (4) By giving Contractor written notice within a reasonable time, the State shall be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").
- (5) No proposed Change shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Technology, Management and Budget, Procurement.
- (6) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

**2.025 NOTICES**

Any notice given to a party under the Contract must be deemed effective, if addressed to the party as addressed below, upon: (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this Section; (iii) the third Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

State:

State of Michigan  
Procurement  
Attention: Steve Motz  
PO Box 30026  
530 West Allegan  
Lansing, Michigan 48909

Contractor:  
International Consulting Acquisition Corporation, d/b/a ISG Public Sector  
10055 Grogan's Mill Road, Suite 200  
The Woodlands, Texas 77380

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

**2.026 BINDING COMMITMENTS**

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

**2.027 RELATIONSHIP OF THE PARTIES**

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

**2.028 COVENANT OF GOOD FAITH**

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



**2.029 ASSIGNMENTS**

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

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

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

**2.030 General Provisions**

**2.031 MEDIA RELEASES**

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

**2.032 CONTRACT DISTRIBUTION**

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

**2.033 PERMITS**

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

**2.034 WEBSITE INCORPORATION**

The State is not bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of the content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representative of the State.

**2.035 FUTURE BIDDING PRECLUSION**

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



**2.036 FREEDOM OF INFORMATION**

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

**2.037 DISASTER RECOVERY**

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

**2.040 Financial Provisions**

**2.041 FIXED PRICES FOR SERVICES/DELIVERABLES**

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

**2.042 ADJUSTMENTS FOR REDUCTIONS IN SCOPE OF SERVICES/DELIVERABLES**

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

**2.043 SERVICES/DELIVERABLES COVERED**

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

**2.044 INVOICING AND PAYMENT – IN GENERAL**

- (a) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.
- (b) Each Contractor invoice shall show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis shall show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.600**.
- (c) Correct invoices shall be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.
- (d) All invoices should reflect actual work done. Specific details of invoices and payments shall be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Procurement, Department of Management & Budget. This activity shall occur only upon the specific written direction from DTMB-Procurement.



The specific payment schedule for any Contract(s) entered into, as the State and the Contractor(s) shall mutually agree upon. The schedule should show payment amount and should reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy statements shall be forwarded to the designated representative by the 15th day of the following month.

The Government may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

**2.045 PRO-RATION**

To the extent there are Services that are to be paid for on a monthly basis, the cost of such Services shall be pro-rated for any partial month.

**2.046 ANTITRUST ASSIGNMENT**

The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

**2.047 FINAL PAYMENT**

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor shall it constitute a waiver of any claims by one party against the other arising from unsettled claims or failure by a party to comply with this Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under this Contract shall constitute a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

**2.048 ELECTRONIC PAYMENT REQUIREMENT**

Electronic transfer of funds is required for payments on State Contracts. Contractors are required to register with the State electronically at <http://www.cpexpress.state.mi.us>. As stated in Public Act 431 of 1984, all contracts that the State enters into for the purchase of goods and services shall provide that payment shall be made by electronic fund transfer (EFT).

**2.050 Taxes**

**2.051 EMPLOYMENT TAXES**

Contractor shall collect and pay all applicable federal, state, and local employment taxes, including the taxes.

**2.052 SALES AND USE TAXES**

Contractor shall register and remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. Contractors that lack sufficient presence in Michigan to be required to register and pay tax must do so as a volunteer. This requirement extends to: (1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining "two or more trades or businesses under common control" the term "organization" means sole proprietorship, a partnership (as defined in § 701(a) (2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.





**2.060 Contract Management**

**2.061 CONTRACTOR PERSONNEL QUALIFICATIONS**

All persons assigned by Contractor to the performance of Services under this Contract must be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and must be fully qualified to perform the work assigned to them. Contractor must include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of this Contract, independent contractors engaged by Contractor solely in a staff augmentation role must be treated by the State as if they were employees of Contractor for this Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

**2.062 CONTRACTOR KEY PERSONNEL**

- (a) The Contractor must provide the Contract Compliance Inspector with the names of the Key Personnel.
- (b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.
- (c) The State shall have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor shall notify the State of the proposed assignment, shall introduce the individual to the appropriate State representatives, and shall provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State shall provide a written explanation including reasonable detail outlining the reasons for the rejection.
- (d) Contractor must not remove any Key Personnel from their assigned roles on the Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). Unauthorized Removals does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.
- (e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

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

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

**2.064 CONTRACTOR PERSONNEL LOCATION**

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



**2.065 CONTRACTOR IDENTIFICATION**

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

**2.066 COOPERATION WITH THIRD PARTIES**

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

**2.067 CONTRACT MANAGEMENT RESPONSIBILITIES**

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

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

**2.068 CONTRACTOR RETURN OF STATE EQUIPMENT/RESOURCES**

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

**2.070 Subcontracting by Contractor**

**2.071 CONTRACTOR FULL RESPONSIBILITY**

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

**2.072 STATE CONSENT TO DELEGATION**

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



**2.073 SUBCONTRACTOR BOUND TO CONTRACT**

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

**2.074 FLOW DOWN**

Except where specifically approved in writing by the State on a case-by-case basis, Contractor shall flow down the obligations in **Sections 2.031, 2.060, 2.100, 2.110, 2.120, 2.130, and 2.200** in all of its agreements with any Subcontractors.

**2.075 COMPETITIVE SELECTION**

The Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract.

**2.080 State Responsibilities**

**2.081 EQUIPMENT**

The State shall provide only the equipment and resources identified in the Statement of Work and other Contract Exhibits.

**2.082 FACILITIES**

The State must designate space as long as it is available and as provided in the Statement of Work, to house the Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). The Contractor shall have reasonable access to, and unless agreed otherwise by the parties in writing must observe and comply with all rules and regulations relating to each of the State Facilities (including hours of operation) used by the Contractor in the course of providing the Services. Contractor agrees that it shall not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for the Contractor's use, or to which the Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

**2.090 Security**

**2.091 BACKGROUND CHECKS**

On a case-by-case basis, the State may investigate the Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results shall be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations shall include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks shall be initiated by the State and shall be reasonably related to the type of work requested.



All Contractor personnel shall also be expected to comply with the State's security and acceptable use policies for State IT equipment and resources. See <http://www.michigan.gov/dit>. Furthermore, Contractor personnel shall be expected to agree to the State's security and acceptable use policies before the Contractor personnel shall be accepted as a resource to perform work for the State. It is expected the Contractor shall present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff shall be expected to comply with all Physical Security procedures in place within the facilities where they are working.

**2.092 SECURITY BREACH NOTIFICATION**

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State shall cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

**2.093 PCI DATA SECURITY STANDARD**

- (a) Contractors that process, transmit or store credit/debit cardholder data, must adhere to the Payment Card Industry (PCI) Data Security Standards. The Contractor is responsible for the security of cardholder data in its possession. The data may only be used to assist the State or for other uses specifically authorized by law.
- (b) The Contractor must notify the CCI (within 72 hours of discovery) of any breaches in security where cardholder data has been compromised. In that event, the Contractor must provide full cooperation to the Visa, MasterCard, Discover and state Acquirer representative(s), and/or a PCI approved third party to conduct a thorough security review. The Contractor must make the forensic report available within two weeks of completion. The review must validate compliance with the current PCI Data Security Standards for protecting cardholder data.
- (c) The Contractor must properly dispose of cardholder data, in compliance with DTMB policy, when it is no longer needed. The Contractor must continue to treat cardholder data as confidential upon contract termination.
- (d) The Contractor must provide the CCI with an annual Attestation of Compliance (AOC) or a Report on Compliance (ROC) showing the contractor is in compliance with the PCI Data Security Standards. The Contractor must notify the CCI of all failures to comply with the PCI Data Security Standard.

**2.100 Confidentiality**

**2.101 CONFIDENTIALITY**

Contractor and the State each acknowledge that the other possesses and shall continue to possess confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor must mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below), which is marked confidential, restricted, proprietary, or with a similar designation. "Confidential Information" of the State must mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State under applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State under its performance under this Contract, is marked as confidential, proprietary or with a similar designation by the State. "Confidential Information" excludes any information (including this Contract) that is publicly available under the Michigan FOIA.

**2.102 PROTECTION AND DESTRUCTION OF CONFIDENTIAL INFORMATION**

The State and Contractor shall each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State shall (i) make any use of the Confidential Information of the other except as contemplated by this Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any



reason to promptly return the other party's Confidential Information to the other party. Each party shall limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.

Promptly upon termination or cancellation of the Contract for any reason, Contractor must certify to the State that Contractor has destroyed all State Confidential Information.

**2.103 EXCLUSIONS**

Notwithstanding the foregoing, the provisions in this Section shall not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose the information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of this Section shall not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

**2.104 NO IMPLIED RIGHTS**

Nothing contained in this Section must be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

**2.105 RESPECTIVE OBLIGATIONS**

The parties' respective obligations under this Section must survive the termination or expiration of this Contract for any reason.

**2.106 DATA USAGE**

Contractor and its affiliates shall have the right to store, use, disseminate, publish and otherwise provide to third parties information provided by the State for statistical and analytical purposes and in connection with Contractor's and its affiliates' services, presentations or publications including third party publications, provided that such information when used, disseminated or published: (i) is only in the form of aggregated data that includes similar information from other sources; and (ii) such that third parties cannot identify State confidential information from the data used, disseminated or published by Contractor or its affiliates. Contractor and its affiliates shall have the right to use the State's service related data and information including, without limitation, internal cost, external pricing and service level data in analyses performed for other customers of Contractor and its affiliates, provided that the data and information shall be used without attribution to the State.

Comment [MOTZ1]: ISG Change

**2.110 Records and Inspections**

**2.111 INSPECTION OF WORK PERFORMED**

The State's authorized representatives shall at all reasonable times and with 10 days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and shall have access, upon



reasonable request, to interim drafts of Deliverables or work-in-progress. Upon 10 Days prior written notice and at all reasonable times, the State's representatives shall be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that the access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor shall provide all reasonable facilities and assistance for the State's representatives.

**2.112 EXAMINATION OF RECORDS**

For seven years after the Contractor provides any work under this Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules. The State shall notify the Contractor 20 days before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

**2.113 RETENTION OF RECORDS**

Contractor shall maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records shall be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records shall be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

**2.114 AUDIT RESOLUTION**

If necessary, the Contractor and the State shall meet to review each audit report promptly after issuance. The Contractor shall respond to each audit report in writing within 30 days from receipt of the report, unless a shorter response time is specified in the report. The Contractor and the State shall develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in the audit report.

**2.115 ERRORS**

If the audit demonstrates any errors in the documents provided to the State, then the amount in error shall be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four invoices. If a balance remains after four invoices, then the remaining amount shall be due as a payment or refund within 45 days of the last quarterly invoice that the balance appeared on or termination of the contract, whichever is earlier.

In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than 10%, then the Contractor shall pay all of the reasonable costs of the audit.

**2.120 Warranties**

**2.121 WARRANTIES AND REPRESENTATIONS**

The Contractor represents and warrants:

- (a) It is capable in all respects of fulfilling and must fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under this Contract.
- (b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.



- (c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under neither this Contract, nor their use by the State shall infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
- (d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in this Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
- (e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (f) It is qualified and registered to transact business in all locations where required.
- (g) Neither the Contractor nor any Affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two days of learning about it.
- (h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or must accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor must not attempt to influence any State employee by the direct or indirect offer of anything of value.
- (i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or the Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.
- (j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other Bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other Bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.
- (k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by the financial statements, reports, other information. Since the respective dates or periods covered by the financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor.
- (l) All written information furnished to the State by or for the Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading.
- (m) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or the department within the previous five years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract.
- (n) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after contract award, the Contractor is required to report those changes immediately to the Department of Technology, Management and Budget, Procurement.

**2.122 WARRANTY OF MERCHANTABILITY**

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

**2.123 RESERVED -WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE**



**2.124 WARRANTY OF TITLE**

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

**2.125 RESERVED - EQUIPMENT WARRANTY**

**2.126 RESERVED - EQUIPMENT TO BE NEW**

**2.127 RESERVED - PROHIBITED PRODUCTS**

**2.128 CONSEQUENCES FOR BREACH**

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

**2.130 Insurance**

**2.131 LIABILITY INSURANCE**

The Contractor must provide proof of the minimum levels of insurance coverage as indicated below. The insurance must protect the State from claims that may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether the services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain under this Contract.

All insurance coverage provided relative to this Contract/Purchase Order is PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance must be written for not less than any minimum coverage specified in this Contract or required by law, whichever is greater.

The insurers selected by Contractor must have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if the ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in this Contract must be issued by companies that have been approved to do business in the State.

See [www.michigan.gov/dleg](http://www.michigan.gov/dleg).

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State must be entitled to coverage to the extent of the higher limits.

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

- 1. Commercial General Liability with the following minimum coverage:
  - \$2,000,000 General Aggregate Limit other than Products/Completed Operations
  - \$2,000,000 Products/Completed Operations Aggregate Limit
  - \$1,000,000 Personal & Advertising Injury Limit
  - \$1,000,000 Each Occurrence Limit





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

2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

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

3. Workers' compensation coverage must be provided according to applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If a self-insurer provides the applicable coverage, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision must not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

4. Employers liability insurance with the following minimum limits:

- \$100,000 each accident
- \$100,000 each employee by disease
- \$500,000 aggregate disease

5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of one million dollars (\$1,000,000.00) with a maximum deductible of fifty thousand dollars (\$50,000.00).

6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$10,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars (\$3,000,000.00) each occurrence and three million dollars (\$3,000,000.00) annual aggregate.

8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State must be endorsed on the policy as a loss payee as its interests appear.

**2.132 SUBCONTRACTOR INSURANCE COVERAGE**

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor must require all of its Subcontractors under this Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor(s) must fully comply with the insurance coverage required in this Section. Failure of Subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.



**2.133 CERTIFICATES OF INSURANCE AND OTHER REQUIREMENTS**

Contractor must furnish to DTMB-Procurement, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **The Contract Number or the Purchase Order Number must be shown on the Certificate Of Insurance To Assure Correct Filing.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverage afforded under the policies SHALL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Procurement, Department of Technology, Management and Budget. The notice must include the Contract or Purchase Order number affected. Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insured under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

The Contractor must maintain all required insurance coverage throughout the term of the Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure tail coverage for at least three years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and must not be construed; to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance. If the Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, then the State may, after the State has given the Contractor at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or the Contractor must pay that cost upon demand by the State.

**2.140 Indemnification**

**2.141 GENERAL INDEMNIFICATION**

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

**2.142 CODE INDEMNIFICATION**

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

**2.143 EMPLOYEE INDEMNIFICATION**

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

**2.144 PATENT/COPYRIGHT INFRINGEMENT INDEMNIFICATION**

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or



proceeding threatened or brought against the State to the extent that the action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of the equipment, software, commodity or service, or the use or reproduction of any documentation provided with the equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

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

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

**2.145 CONTINUATION OF INDEMNIFICATION OBLIGATIONS**

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

**2.146 INDEMNIFICATION PROCEDURES**

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

- (a) After the State receives notice of the action or proceeding involving a claim for which it shall seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.
- (b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.



- (c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State may defend the claim in the manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor must promptly reimburse the State for all the reasonable costs and expenses.

**2.150 Termination/Cancellation**

**2.151 NOTICE AND RIGHT TO CURE**

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

**2.152 TERMINATION FOR CAUSE**

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

**2.153 TERMINATION FOR CONVENIENCE**

The State may terminate this Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for convenience must cease on the effective date of the termination.

**2.154 TERMINATION FOR NON-APPROPRIATION**

- (a) Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State must terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give



Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).

- (b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under this Contract shall be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.
- (c) If the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section shall not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

**2.155 TERMINATION FOR CRIMINAL CONVICTION**

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense related to a State, public or private Contract or subcontract.

**2.156 TERMINATION FOR APPROVALS RESCINDED**

The State may terminate this Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State shall pay the Contractor for only the work completed to that point under the Contract. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in the written notice.

**2.157 RIGHTS AND OBLIGATIONS UPON TERMINATION**

- (a) If the State terminates this Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.
- (b) If the State terminates this Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under this Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.
- (c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

**2.158 RESERVATION OF RIGHTS**

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



**2.160 Termination by Contractor**

**2.161 TERMINATION BY CONTRACTOR**

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

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

**2.170 Transition Responsibilities**

**2.171 CONTRACTOR TRANSITION RESPONSIBILITIES**

If the State terminates this contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor shall comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 120 days. These efforts must include, but are not limited to, those listed in **Section 2.150**.

**2.172 CONTRACTOR PERSONNEL TRANSITION**

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

**2.173 CONTRACTOR INFORMATION TRANSITION**

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

**2.174 CONTRACTOR SOFTWARE TRANSITION**

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



**2.175 TRANSITION PAYMENTS**

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

**2.176 STATE TRANSITION RESPONSIBILITIES**

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

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

**2.180 Stop Work**

**2.181 STOP WORK ORDERS**

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

**2.182 CANCELLATION OR EXPIRATION OF STOP WORK ORDER**

The Contractor shall resume work if the State cancels a Stop Work Order or if it expires. The parties shall agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract shall be modified, in writing, accordingly, if: (a) the Stop Work Order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment will conform to the requirements of **Section 2.024**.

**2.183 ALLOWANCE OF CONTRACTOR COSTS**

If the Stop Work Order is not canceled and the work covered by the Stop Work Order is terminated for reasons other than material breach, the termination shall be deemed to be a termination for convenience under **Section 2.153**, and the State shall pay reasonable costs resulting from the Stop Work Order in arriving at the termination settlement. For the avoidance of doubt, the State shall not be liable to Contractor for loss of profits because of a Stop Work Order issued under this Section.

**2.190 Dispute Resolution**

**2.191 IN GENERAL**

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work must be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor must submit a letter, together with all data supporting the claims, executed by Contractor's Contract Administrator or the Contract Administrator's designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the



amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the claim and the supporting data are current and complete to Contractor's best knowledge and belief.

**2.192 INFORMAL DISPUTE RESOLUTION**

(a) All disputes between the parties shall be resolved under the Contract Management procedures in this Contract. If the parties are unable to resolve any dispute after compliance with the processes, the parties must meet with the Director of Procurement, DTMB, or designee, to resolve the dispute without the need for formal legal proceedings, as follows:

(1) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter at issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.

(2) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract shall be honored in order that each of the parties may be fully advised of the other's position.

(3) The specific format for the discussions shall be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.

(4) Following the completion of this process within 60 calendar days, the Director of Procurement, DTMB, or designee, shall issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.

(b) This Section shall not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under Section 2.193.

(c) The State shall not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

**2.193 INJUNCTIVE RELIEF**

The only circumstance in which disputes between the State and Contractor shall not be subject to the provisions of **Section 2.192** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is that the damages to the party resulting from the breach shall be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

**2.194 CONTINUED PERFORMANCE**

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

**2.200 Federal and State Contract Requirements**

**2.201 NONDISCRIMINATION**

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





**2.202 UNFAIR LABOR PRACTICES**

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

**2.203 WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT**

In performing Services for the State, the Contractor shall comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0.1607.7-147-6877---.00.html>.

**2.204 PREVAILING WAGE**

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

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

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

**2.210 Governing Law**

**2.211 GOVERNING LAW**

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

**2.212 COMPLIANCE WITH LAWS**

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

**2.213 JURISDICTION**

Any dispute arising from the Contract shall be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to



the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

**2.220 Limitation of Liability**

**2.221 LIMITATION OF LIABILITY**

Neither the Contractor nor the State shall be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney’s fees awarded by a court in addition to damages after litigation based on this Contract.

The Contractor’s liability for damages to the State is limited to two times the value of the Contract or \$500,000 which ever is higher. The foregoing limitation of liability does not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney’s fees awarded by a court in addition to damages after litigation based on this Contract.

The State’s liability for damages to the Contractor is limited to the value of the Contract.

**2.230 Disclosure Responsibilities**

**2.231 DISCLOSURE OF LITIGATION**

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

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

- (a) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or
- (b) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
  - 1. (1) Contractor and its Subcontractors will be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and
  - 2. (2) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.



- (c) Contractor shall make the following notifications in writing:
  - 3. (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DTMB-Procurement.
  - 4. (2) Contractor shall also notify DTMB Procurement within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
  - 5. (3) Contractor shall also notify DTMB-Procurement within 30 days whenever changes to company affiliations occur.

**2.232 CALL CENTER DISCLOSURE**

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

**2.233 BANKRUPTCY**

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

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

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

**2.240 Performance**

**2.241 TIME OF PERFORMANCE**

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

**2.242 SERVICE LEVEL AGREEMENT (SLA)**

- (a) SLAs will be completed with the following operational considerations:
  - 6. (1) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.
  - 7. (2) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.



- 8. (3) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. To invoke this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.
- 9. (4) Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following:
  - (i) Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.
  - (ii) Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.
- (b) Chronic Failure for any Service(s) will be defined as three unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling 30 day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different vendor for the chronic location(s) with Contractor to pay the difference in charges for up to three additional months. The termination of the Service will not affect any tiered pricing levels.
- (c) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor will provide its analysis within two weeks of outage(s) and provide a recommendation for resolution.
- (d) All decimals must be rounded to two decimal places with five and greater rounding up and four and less rounding down unless otherwise specified.

**2.243 RESERVED - LIQUIDATED DAMAGES**

**2.244 EXCUSABLE FAILURE**

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

If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. But the party must use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 10 Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance continues; (b) the State may terminate any portion of the Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.



The Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

**2.250 Approval of Deliverables**

**2.251 DELIVERY OF DELIVERABLES**

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

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

In discharging its obligations under this Section, Contractor shall be at all times (except where the parties agree otherwise in writing) in compliance with Level 3 of the Software Engineering Institute's Capability Maturity Model for Software ("CMM Level 3") or its equivalent.

Each deliverable associated with this SOW will consist of one electronic copy and one hard copy. Additional copies of deliverables will be produced by the State at the State's expense.

**2.252 RESERVED - CONTRACTOR SYSTEM TESTING**

**2.253 APPROVAL OF DELIVERABLES, IN GENERAL**

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

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

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



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

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

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

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

**2.254 PROCESS FOR APPROVAL OF WRITTEN DELIVERABLES**

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Written Deliverable (failing which the State Review Period, by default, shall be five (5) Business Days for Written Deliverables of one hundred (100) pages or less and ten (10) Business Days for Written Deliverables of more than one hundred (100) pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable prior to its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Written Deliverable is approved in the form delivered by Contractor or describing any deficiencies that shall be corrected prior to approval of the Written Deliverable (or at the State's election, subsequent to approval of the Written Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within five (5) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Written Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Written Deliverable to confirm that the identified deficiencies have been corrected.

**2.255 PROCESS FOR APPROVAL OF DELIVERABLES**

The State will conduct UAT of each Deliverable in accordance with the following procedures to determine whether it meets the criteria for State approval – i.e., whether it conforms to and performs in accordance with its specifications without material deficiencies.



Within thirty (30) days (or such other number of days as the parties may agree to in writing) prior to Contractor's delivery of any Deliverable to the State for approval, Contractor shall provide to the State a set of proposed test plans, including test cases, scripts, data and expected outcomes, for the State's use (which the State may supplement in its own discretion) in conducting UAT of the Deliverable. Contractor, upon request by the State, shall provide the State with reasonable assistance and support during the UAT process.

For the Deliverables listed in an attachment, the State Review Period for conducting UAT will be as indicated in the attachment. For any other Deliverables not listed in an attachment, the State Review Period shall be the number of days agreed in writing by the parties (failing which it shall be forty-five (45) days by default). The State Review Period for each Deliverable will begin when Contractor has delivered the Deliverable to the State accompanied by the certification required by this **Section** and the State's inspection of the Deliverable has confirmed that all components of it have been delivered.

The State's UAT will consist of executing test scripts from the proposed testing submitted by Contractor, but may also include any additional testing deemed appropriate by the State. If the State determines during the UAT that the Deliverable contains any deficiencies, the State will notify Contractor of the deficiency by making an entry in an incident reporting system available to both Contractor and the State. Contractor will modify promptly the Deliverable to correct the reported deficiencies, conduct appropriate System Testing (including, where applicable, Regression Testing) to confirm the proper correction of the deficiencies and re-deliver the corrected version to the State for re-testing in UAT. Contractor will coordinate the re-delivery of corrected versions of Deliverables with the State so as not to disrupt the State's UAT process. The State will promptly re-test the corrected version of the Software Deliverable after receiving it from Contractor.

Within three (3) business days after the end of the State Review Period, the State will give Contractor a written notice indicating the State's approval or rejection of the Deliverable according to the criteria and process set out in this **Section**.

**2.256 FINAL ACCEPTANCE**

See Article 1.

**2.260 Ownership**

**2.261 OWNERSHIP OF WORK PRODUCT BY STATE**

The State owns all Deliverables, as they are work made for hire by the Contractor for the State. The State owns all United States and international copyrights, trademarks, patents or other proprietary rights in the Deliverables.

**2.262 VESTING OF RIGHTS**

With the sole exception of any preexisting works, the Contractor assigns, and upon creation of each Deliverable automatically assigns, to the State, ownership of all United States and international copyrights, trademarks, patents, or other proprietary rights in each and every Deliverable, whether or not registered by the Contractor, insofar as any the Deliverable, by operation of law, may not be considered work made for hire by the Contractor for the State. From time to time upon the State's request, the Contractor must confirm the assignment by execution and delivery of the assignments, confirmations of assignment, or other written instruments as the State may request. The State may obtain and hold in its own name all copyright, trademark, and patent registrations and other evidence of rights that may be available for Deliverables. The State hereby grants to Contractor a worldwide, perpetual, irrevocable, transferable, fully paid-up right to use the Deliverables in its business together with any modifications, enhancements, revisions, derivative works or substitutions that may be made thereto by Contractor from time to time, excluding any State confidential information. Contractor has developed a proprietary system, hereafter described, which includes all intellectual property throughout the world with respect thereto, used for the purpose of assisting clients in strategic engagements and to evaluate potential information technology and business process service delivery alternatives, and to explore new technology and business process options and strategies (collectively, the "Contractor System"). The Contractor System includes, but is not limited to, methodologies employed in the process of consultation, pre-existing material, sourcing documentation, requests for proposal, forms, presentations, analysis, charts, schedules, text, graphics, and related other functions and features, in all forms and formats, together with any modifications, enhancements, revisions, derivative works or substitutions that may

**Comment [MOTZ2]:** ISG Changes – Greg to review.



be made by or on behalf of Contractor from time to time, all copies of the foregoing and all intellectual property rights in and relating to all of the foregoing. The Contractor System is Contractor's preexisting works and confidential information and shall remain the sole and exclusive property of Contractor. The State is granted a non-exclusive, non-transferable right to use the Contractor System, on the project described in the SOW and on any the State internal projects, provided that such license does not include use of the Contractor System by third parties other than those providing services to the State.

**2.263 RIGHTS IN DATA**

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

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

**2.264 OWNERSHIP OF MATERIALS**

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

**2.270 State Standards**

**2.271 EXISTING TECHNOLOGY STANDARDS**

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

**2.272 ACCEPTABLE USE POLICY**

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

**2.273 SYSTEMS CHANGES**

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





**2.280 Extended Purchasing**

**2.281 MIDEAL (MICHIGAN DELIVERY EXTENDED AGREEMENTS LOCALLY**

**A. MiDEAL Requirements**

1. The Contractor must ensure that all purchasers are MiDEAL Members before extending the Contract pricing. A current listing of approved MiDEAL Members is available at: [www.michigan.gov/mideal](http://www.michigan.gov/mideal).
2. The Contractor must submit quarterly reports of MiDEAL purchasing activities to DTMB-Purchasing Operations.
3. The Contractor must submit invoices to and receive payment from MiDEAL Members on a direct and individual basis.
4. Estimated requirements for MiDEAL members are not included in the quantities shown in this Contract, unless otherwise noted.
5. The State of Michigan reserves the right to negotiate additional discounts based on any increased volumes by MiDEAL members.

**B. MiDEAL Administrative Fee**

10. The Contractor must remit a MiDEAL administrative fee on all sales transacted under this Contract, and remit the fee within 30 days after the end of each quarter. The administrative fee shall equal **1% of the total quarterly sales reported**.
11. The Contractor must pay the administrative fee by check payable to the State of Michigan. The Contractor must identify the check as an "Administrative Fee" and include the following information with the payment: the applicable Contract Number, the total quarterly sales by volume and dollar amount, and the quarter covered.
12. The Contractor must send the check to the following address:  
Department of Technology, Management and Budget  
Financial Services – Cashier Unit  
Lewis Cass Building  
320 South Walnut St.  
P.O. Box 30681  
Lansing, MI 48909

**2.282 STATE EMPLOYEE PURCHASES**

The State allows State employees to purchase from this Contract. Unless otherwise stated, it is the responsibility of the Contractor to ensure that the State employee is an authorized purchaser before extending the Contract pricing.

The Contractor will supply Contract Services and Deliverables at the established State of Michigan contract prices and terms to the extent applicable and where available. The Contractor shall send its invoices to and pay the State employee on a direct and individual basis.

To the extent that authorized State employees purchase quantities of Services or Deliverables under this Contract, the quantities of Services and/or Deliverables purchased will be included in determining the appropriate rate wherever tiered pricing based on quantity is provided.

**2.283 COOPERATIVE PURCHASING**

- (a) This Contract may be extended to additional States or governmental jurisdictions upon mutual written agreement between the State of Michigan and the Contractor. Political subdivisions and other authorized entities within each participating State or governmental jurisdiction may also participate in this Contract if such State allows participation by such entities.
- (b) All MiDEAL processes, invoicing relationships, reporting and MiDEAL Service Fee also apply to cooperative purchasing participants.



- (c) The State of Michigan reserves the right to negotiate additional discounts based on any increased volume generated by such extensions.

**2.290 Environmental Provision**

**2.291 ENVIRONMENTAL PROVISION**

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

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

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

- (a) The Contractor shall use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State and local laws. The State shall provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State shall advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor shall immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.
- (b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State shall order a suspension of Work in writing. The State shall proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State shall terminate the affected Work for the State's convenience.
- (c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor shall resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in a time as mutually agreed by the parties.



(d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor shall bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

**Labeling:** Michigan has a Consumer Products Rule pertaining to labeling of certain products containing volatile organic compounds. For specific details visit [http://www.michigan.gov/deq/0,1607,7-135-3310\\_4108-173523--,00.html](http://www.michigan.gov/deq/0,1607,7-135-3310_4108-173523--,00.html)

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

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

**2.300 Deliverables**

**2.301 SOFTWARE**

A list of the items of software the State is required to purchase for executing the Contract is attached. The list includes all software required to complete the Contract and make the Deliverables operable; if any additional software is required in order for the Deliverables to meet the requirements of this Contract, such software shall be provided to the State by Contractor at no additional charge (except where agreed upon and specified in a Statement of Work or Contract Change Notice). The attachment also identifies certain items of software to be provided by the State.

**2.302 HARDWARE**

A list of the items of hardware the State is required to purchase for executing the Contract is attached. The list includes all hardware required to complete the Contract and make the Deliverables operable; if any additional hardware is required in order for the Deliverables to meet the requirements of this Contract, such hardware shall be provided to the State by Contractor at no additional charge (except where agreed upon and specified in a Contract Change Notice). The attachment also identifies certain items of hardware to be provided by the State.

**2.310 RESERVED Software Warranties**

**2.320 RESERVED - Software Licensing**

**2.330 RESERVED - Source Code Escrow**



**ATTACHMENT 1 – MINIMUM MANDATORY REQUIREMENTS**  
DELETED

**ATTACHMENT 2 – ORGANIZATION CHART**  
DELETED

**ATTACHMENT 3 – RESUME TEMPLATES**  
DELETED

**ATTACHMENT 4 – PRELIMINARY PROJECT SCHEDULE**  
DELETED



**ATTACHMENT 5 – COST TABLES**

**Table 0: Total Estimate Contract Value**

Table Description	Price
Table 1 – Fixed Price Deliverables	\$1,073,540
Table 2 – Reserved Bank of Hours (Including Evaluation Support Tasks)	\$1,426,460
<b>Total Estimated Contract Value</b>	<b>\$2,500,000</b>

**Table 1: Fixed Price Deliverables**

No. <i>(Column 1)</i>	Milestones <i>(Column 2)</i>	Estimated Contractor Resource Roles <i>(Column 3)</i>	Firm Fixed Cost (\$) <i>(Column 4)</i>
1.104.A.1	Governance Structure Document	Project Manager Engagement Partner	\$62,366
1.104.A.2	Funding Plan Documentation	Business Analyst, Engagement Partner Project Manager	\$27,582
1.104.A.1.5	Update Business Case Analysis Documentation	Engagement Partner Project Manager ERP Subject Matter Expert/Analyst	\$247,341
	Deliverables a-l below are listed for information purposes – The State will pay by milestone payment –Updated Business Case Analyses Documentation regarding 1.104.A.1.5.		
	a. Assess Current Environment	Engagement Partner Project Manager ERP Subject Matter Expert/Analyst	\$7,420
	b. Determine Strategies to Evaluate	Engagement Partner Project Manager ERP Subject Matter Expert/Analyst	\$17,314
	c. Identify Costs, Benefits Risks	Engagement Partner Project Manager ERP Subject Matter Expert/Analyst	\$29,681
	d. Identify system Benefits	Engagement Partner	\$37,101
	e. Identify process benefits and risks	Project Manager	\$39,575
	f. Perform financial analysis	ERP Subject Matter Expert/Analyst	\$17,314
	g. Evaluate Alternatives	Engagement Partner	\$17,314



	h. Prepare & Submit Draft Report	Project Manager	\$37,101
	i. Final Report	ERP Subject Matter Expert/Analyst	\$44,521
1.104.A.3	ERP Strategy Document	Project Manager Engagement Partner ERP SMEs	\$91,271
1.104.A.4	Requirements Document	-	\$-
	Milestones a-s will be assessed and depending on need selected and paid for individually by State.		
	a. Budget Preparation	ERP SME Project Manager Engagement Partner	\$12,747
	b. General Ledger	ERP SME Project Manager Engagement Partner	\$14,676
	c. Accounts Payable	ERP SME Project Manager Engagement Partner	\$14,676
	d. Accounts Receivable and Billing	ERP SME Project Manager Engagement Partner	\$12,747
	e. Reporting HR	ERP SME Project Manager Engagement Partner	\$22,382
	e. Reporting - FI	ERP SME Project Manager Engagement Partner	\$16,605
	f. Procurement	ERP SME Project Manager Engagement Partner	\$18,534
	g. Budget Control	ERP SME Project Manager Engagement Partner	\$12,747
	h. Asset Management	ERP SME Project Manager Engagement Partner	\$16,605
	i. Payroll	ERP SME Project Manager Engagement Partner	\$22,382
	j. Employee Self-Service	ERP SME Project Manager Engagement Partner	\$12,747
	k. Grant Management	ERP SME Project Manager Engagement Partner	\$16,605



	i. Time Collection	ERP SME Project Manager Engagement Partner	\$22,382
	m. Personnel Administration	ERP SME Project Manager Engagement Partner	\$16,605
	n. Benefits Administration	ERP SME Project Manager Engagement Partner	\$22,382
	o. Procurement-Cards	ERP SME Project Manager Engagement Partner	\$14,676
	p. Project Systems	ERP SME Project Manager Engagement Partner	\$16,605
	q. Inventory Management	ERP SME Project Manager Engagement Partner	\$16,605
	r.. Manager Self-Service	ERP SME Project Manager Engagement Partner	\$9,262
	s. Recruitment	ERP SME Project Manager Engagement Partner	\$9,262
	General Requirements	ERP SME Project Manager	\$14,527
	Technical Requirements	ERP SME Project Manager	\$14,527
	Data Conversion Requirements	ERP SME Project Manager	\$14,527
	Interface Requirements	ERP SME Project Manager	\$14,527
	Decision Director		\$65,000
1.104.A.5	1. Request for Proposal	Project Advisor Engagement Partner Project Manager	\$102,015
	2. Evaluation Guide	Engagement Partner Project Manager	\$22,867
	3. Demonstration Scripts	Engagement Partner ERP SME	75,758
	<b>Total Cost</b>	-	\$1,073,540

**Notes:**



1. Column 4 for the Requirements Document is identified at the Functional Area level (1.104.A.4.a - s). This also includes pricing for General, Technical, Data Conversion and Interface Requirements.
2. The State will select the functional areas that will be included in the MAIN Replacement scope of the System Requirements gathering effort – not all Functional Areas are guaranteed to be included in the final scope (and therefore payment).
3. Additional time for the Engagement partner (80 hours) has been included in the costs above for activities that are critical to project success (i.e., reviewing and contributing to project deliverables, participating in steering committee meetings, advising the State, providing guidance to the project team, executing the ISG methodology, assisting in problem solving and risk mitigation).
4. Additional time for the Project Management (200 hours) has been included in the costs above for project management activities. If the State determines that SUITE templates and the related level of effort for completed them is required of the Contractor, optional pricing is provided in Table 3.
5. Pricing is based on Contractor performing work for one RFP which will be issued for both software and implementation services.





**Table 2: Reserved Bank of Hours** (Including Evaluation Support Tasks)

Position Type  (Column 1)	Firm Fixed  Hourly Rate (\$) (Column 2)	Option Year 1 Firm Fixed Hourly Rate (\$) (Column 3)	Option Year 2 Firm Fixed Hourly Rate (\$) (Column 4)	Option Year 3 Firm Fixed Hourly Rate (\$) (Column 5)	Option Year 4 Firm Fixed Hourly Rate (\$) (Column 6)	Option Year 5 Firm Fixed Hourly Rate (\$) (Column 7)
1. Engagement Partner / Project Advisor	205	210	215	220	225	230
2. Project Manager	205	210	215	220	225	230
3. Business Analyst	190	195	200	205	210	215
4. Change Management	190	195	200	205	210	215
5. Technical Lead	190	195	200	205	210	215
6. ERP Subject Matter Expert	190	195	200	205	210	215
7. Technical Writer	190	195	200	205	210	215

**Reserve Bank of Hours Estimate:** \$1,426,460

**Notes:**

1. Column 1: Lists all positions that are may be used for the duration of the contract.
2. Column 2: Lists the Firm Fixed Hourly Rate for each Position Type specified in the table for the base years of the Contract.
3. Column 3-7: Lists the Firm Fixed Hourly Rate for each Position Type specified in the table for the specific option year identified.
4. Invoices will be based on actual work performed on a time and material basis or fixed price deliverables if the State issues Statements of Work (SOW), to draw against the Reserve Bank of Hours.
5. The Contractor will provide weekly timesheets to the State Project Manager for Time and Material tasks.
6. The State will compensate the Contractor for any time efforts which were approved in advance (including Evaluation Support tasks).



**Table 3: Optional SUITE Template**

Project management/Compliance with Unified Information Technology Environment (SUITE) methodology	<i>Resource</i>	<i>Estimated Hours</i>	<i>Fixed Cost</i>
Monthly Charge (April through October)	Project Manager	80	\$ 16,400
Total Estimated Cost	-	-	\$ 114,800



**ATTACHMENT 6 – DECISION DIRECTOR DETAILS**

The DecisionDirector® product suite from Advantiv Solutions, LLC is integrated throughout the Contractors methodology and approach. DecisionDirector is a Web-based stakeholder collaboration and decision support system that is designed specifically to help public sector organizations plan for and select ERP and other enterprise software solutions.

DecisionDirector will provide the Project's stakeholders with an online functional assessment and requirements gathering forum that will enable those stakeholders to review and consider thousands of well-organized, preexisting functional requirements as defined in the DecisionDirector database. A "KnowledgePack" is a structured collection of information about a specific topic such as, for example, a hierarchical listing of detailed functional requirements for General Ledger or Time Collection. DecisionDirector allows for participation in the requirements development activities by subject matter experts (SMEs) from across the entire enterprise without regard to geographic location. SMEs can access the requirements in the KnowledgePacks through the Internet and provide direct input to the requirements from their work location. This allows for timely feedback to the project team with no associated travel costs. DecisionDirector also supports the proposal evaluation process by allowing vendors to respond to the State's business and other requirements through a secure online forum. Lastly, DecisionDirector provides a flexible response analysis and scoring methodology that is based upon customer-defined response point and grade assignments should the State choose to utilize an automated scoring approach.

All deliverables and supporting data that result from this contract will be made available to the State. After the project concludes, all project data contained within the DecisionDirector database will be extracted in full and provided to the State, and access to DecisionDirector will end. Advantiv Solutions, LLC, the provider of DecisionDirector, offers additional licensing options should the State desire further access to DecisionDirector for this or other projects.



**ATTACHMENT 7 – ESTIMATED HOURS PER STATE SME BY MONTH**

Role	# of SMEs	Total Hours by Month												
		Mo 1	Mo 2	Mo 3	Mo 4	Mo 5	Mo 6	Mo 7	Mo 8	Mo 9	Mo 10	Mo 11	Mo 12	Mo 13
Define System Requirements and Develop RFP														
Project Management	1	-	-	-	168	168	168	168	168	-	-	-	-	-
Procurement Specialist	1	-	-	-	-	84	84	84	84	-	-	-	-	-
Financial/Procurement Requirements														
a.Budget Preparation SME	8	-	-	-	-	160	-	-	-	-	-	-	-	-
b.General Ledger SME	5	-	-	-	-	120	-	-	-	-	-	-	-	-
c.Accounts Payable SME	5	-	-	-	-	120	-	-	-	-	-	-	-	-
d.Accounts Receivable and Billing SME	10	-	-	-	-	80	120	-	-	-	-	-	-	-
e.Reporting - HR SME	10	-	-	-	-	-	-	200	-	-	-	-	-	-
e.Reporting - FI SME	10	-	-	-	-	-	-	200	-	-	-	-	-	-
f.Procurement SME	10	-	-	-	-	-	320	-	-	-	-	-	-	-
g.Budget Control SME	8	-	-	-	-	-	160	-	-	-	-	-	-	-
h.Asset Management SME	8	-	-	-	-	-	224	-	-	-	-	-	-	-
i.Payroll SME	5	-	-	-	-	40	60	-	-	-	-	-	-	-
j.Employee Self-Service SME	5	-	-	-	-	-	100	-	-	-	-	-	-	-
k.Grant Management SME	5	-	-	-	-	-	-	140	-	-	-	-	-	-
l.Time Collection SME	10	-	-	-	-	-	400	-	-	-	-	-	-	-
m.Personnel Administration SME	8	-	-	-	-	-	-	224	-	-	-	-	-	-
n.Benefits Administration SME	8	-	-	-	-	-	-	320	-	-	-	-	-	-
o.Procurement-Cards SME	8	-	-	-	-	-	-	192	-	-	-	-	-	-
p.Project Systems SME	10	-	-	-	-	-	-	280	-	-	-	-	-	-
q.Inventory Management SME	5	-	-	-	-	-	-	-	140	-	-	-	-	-
Define System Requirements and Develop RFP														
Project Management	1	-	-	-	-	-	-	-	-	168	168	168	168	168
Procurement Specialist	1	-	-	-	-	-	-	-	-	84	84	84	168	168
Functional SMEs	15	-	-	-	-	-	-	-	-	-	600	1,260	-	-
Subtotal		-	-	-	-	-	-	-	-	252.0	852.0	1,512.0	336.0	336.0
FTEs		-	-	-	-	-	-	-	-	1.5	5.1	9.0	2.0	2.0
Total		-	-	-	-	520.0	1,384.0	1,556.0	140.0	252.0	852.0	1,512.0	336.0	336.0



**Estimated State Hours per by Month**

Role	# of SMEs	Total Hours by Month												
		Mo 1	Mo 2	Mo 3	Mo 4	Mo 5	Mo 6	Mo 7	Mo 8	Mo 9	Mo 10	Mo 11	Mo 12	Mo 13
Define System Requirements and Develop RFP														
Project Management	1	-	-	-	168	168	168	168	168	-	-	-	-	-
Procurement Specialist	1	-	-	-	-	84	84	84	84	-	-	-	-	-
Financial/Procurement Requirements														
a.Budget Preparation SME	5	-	-	-	-	100	-	-	-	-	-	-	-	-
b.General Ledger SME	5	-	-	-	-	120	-	-	-	-	-	-	-	-
c.Accounts Payable SME	5	-	-	-	-	120	-	-	-	-	-	-	-	-
d.Accounts Receivable and Billing SME	5	-	-	-	-	40	60	-	-	-	-	-	-	-
e.Reporting - HR SME	5	-	-	-	-	-	-	100	-	-	-	-	-	-
e.Reporting - FI SME	5	-	-	-	-	-	-	100	-	-	-	-	-	-
f.Procurement SME	5	-	-	-	-	-	160	-	-	-	-	-	-	-
g.Budget Control SME	5	-	-	-	-	-	100	-	-	-	-	-	-	-
h.Asset Management SME	5	-	-	-	-	-	140	-	-	-	-	-	-	-
i.Payroll SME	5	-	-	-	-	40	60	-	-	-	-	-	-	-
j.Employee Self-Service SME	5	-	-	-	-	-	100	-	-	-	-	-	-	-
k.Grant Management SME	5	-	-	-	-	-	-	140	-	-	-	-	-	-
l.Time Collection SME	5	-	-	-	-	-	200	-	-	-	-	-	-	-
m.Personnel Administration SME	5	-	-	-	-	-	-	140	-	-	-	-	-	-
n.Benefits Administration SME	5	-	-	-	-	-	-	200	-	-	-	-	-	-
o.Procurement-Cards SME	5	-	-	-	-	-	-	120	-	-	-	-	-	-
p.Project Systems SME	5	-	-	-	-	-	-	140	-	-	-	-	-	-
q.Inventory Management SME	5	-	-	-	-	-	-	-	140	-	-	-	-	-
Define System Requirements and Develop RFP														
Project Management	1	-	-	-	-	-	-	-	-	168	168	168	168	168
Procurement Specialist	1	-	-	-	-	-	-	-	-	84	84	84	168	168
Functional SMEs	15	-	-	-	-	-	-	-	-	-	600	1,260	-	-
Subtotal										252.0	852.0	1,512.0	336.0	336.0
FTEs										1.5	5.1	9.0	2.0	2.0
Total						420.0	820.0	940.0	140.0	252.0	852.0	1,512.0	336.0	336.0
FTEs						2.5	4.9	5.6	0.8	1.5	5.1	9.0	2.0	2.0