



STATE OF MICHIGAN ENTERPRISE PROCUREMENT

DTMB

320 S Walnut Street Lansing, MI 48933
P.O. Box 30026, Lansing, MI 48909

CONTRACT CHANGE NOTICE

Change Notice Number 17

to

Contract Number MA071B1300065C

CONTRACTOR	STARLIMS CORPORATION
	300 Brickstone Dr., Suite 201
	Andover MA 01810
	Peter Tyrrell
	404-263-2905
	peter.tyrrell@starlims.com
	CV0061868

STATE	Program Manager	Various	Various
	Contract Administrator	Alannah Doak	DTMB
		DoakA@michigan.gov	

CONTRACT SUMMARY				
Laboratory Information Management System (LIMS) Maintenance, Support, and Enhancements				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
October 1, 2010	September 30, 2015	5 - 1 Year	December 31, 2026	
PAYMENT TERMS		DELIVERY TIMEFRAME		
Net 45		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (PRC) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>	0 Years	
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,002,331.47	\$0.00	\$2,002,331.47		
DESCRIPTION				
Please note the Contract Administrator has been changed to Alannah Doak.				
All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Central Procurement approval.				

Program Managers
for
Multi-Agency and Statewide Contracts

AGENCY	NAME	PHONE	EMAIL
MDHHS	Julie Kusey	517-335-9604	KuseyJ@michigan.gov
DTMB	Soopriya Razdan	517-219-2766	RazdanS@michigan.gov



STATE OF MICHIGAN ENTERPRISE PROCUREMENT

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

CONTRACT CHANGE NOTICE

Change Notice Number **16**

to

Contract Number **MA071B1300065C**

CONTRACTOR	STARLIMS CORPORATION
	300 Brickstone Dr., Suite 201
	Andover MA 01810
	Peter Tyrrell
	404-263-2905
	peter.tyrrell@starlims.com
	CV0061868

STATE	Program Manager	Various	Various
	Contract Administrator	Katie McFarland	DTMB
		517-930-6814	mcfarlandk1@michigan.gov

CONTRACT SUMMARY				
Laboratory Information Management System (LIMS) Maintenance, Support, and Enhancements				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
October 1, 2010	September 30, 2015	5 - 1 Year	September 30, 2026	
PAYMENT TERMS		DELIVERY TIMEFRAME		
Net 45		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (PRC) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input checked="" type="checkbox"/>	3 Months	December 31, 2026
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,002,331.47	\$0.00	\$2,002,331.47		
DESCRIPTION				
Effective August 20, 2024, this contract is hereby extended through December 31, 2026.				
All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Central Procurement approval, and State Administrative Board approval on August 20, 2024.				

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

AGENCY	NAME	PHONE	EMAIL
MDHHS	Julie Kusey	517-335-9604	KuseyJ@michigan.gov
DTMB	Soopriya Razdan	517-219-2766	RazdanS@michigan.gov



STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget

525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **15**

to

Contract Number **MA071B1300065C**

CONTRACTOR	Starlims Corporation
	300 Brickstone Dr., Suite 201
	Andover MA 01810
	Peter Tyrrell
	404-263-2905
	peter.tyrrell@starlims.com
	CV0061868

STATE	Program Manager	Various	Various
	Contract Administrator	Katie McFarland	DTMB
		517-930-6814	
		mcfarlandk1@michigan.gov	

CONTRACT SUMMARY				
Laboratory Information Management System (LIMS) Maintenance, Support, and Enhancements				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
October 1, 2010	September 30, 2015	5, 1-year	September 30, 2026	
PAYMENT TERMS		DELIVERY TIMEFRAME		
Net 45		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (PRC) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,002,331.47	\$0.00	\$2,002,331.47		
DESCRIPTION				
Effective July 16, 2024, this contract is hereby terminated for convenience in part. This termination pertains to the deliverables associated with the STARLIMS upgrade vPH10 to vPH12 Business Layer Upgrade Project. STARLIMS and the State mutually agree to waive the 30-day notice of termination and that there are no outstanding invoices or deliverables due as related to the performance of the activities on the STARLIMS upgrade vPH10 to vPH12/Business Layer Upgrade Project.				
All other terms, conditions, specifications and pricing remain the same. Per Contractor and Agency agreement, and DTMB Central Procurement approval.				

Program Managers
for
Multi-Agency and Statewide Contracts

AGENCY	NAME	PHONE	EMAIL
MDHHS	Julie Kusey	517-335-9604	KuseyJ@michigan.gov
DTMB	Soopriya Razdan	517-219-2766	RazdanS@michigan.gov



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

CONTRACT CHANGE NOTICE

Change Notice Number **14**
to
Contract Number **071B1300065**

CONTRACTOR	Starlims Corporation
	300 Brickstone Dr., Suite 201
	Andover, MA 01810
	Peter Tyrrell
	404-263-2905
	peter.tyrrell@starlims.com
	CV0061868

STATE	Program Manager	Various	MDHHS
	Contract Administrator	Katie McFarland	DTMB
		517-930-6814	
		mcfarlandk1@michigan.gov	

CONTRACT SUMMARY				
LABORATORY INFROMATION MANAGEMENT SYSTEM (LIMS) MAINTENANCE, SUPPORT, AND ENHANCEMENTS				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS		EXPIRATION DATE BEFORE
October 1, 2010	September 30, 2015	5 - 1 Year		September 30, 2024
PAYMENT TERMS		DELIVERY TIMEFRAME		
		N/A		
ALTERNATE PAYMENT OPTIONS				EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 Year	<input checked="" type="checkbox"/>	1 Year	September 30, 2026
CURRENT VALUE	VALUE OF CHANGE NOTICE		ESTIMATED AGGREGATE CONTRACT VALUE	
\$1,752,331.47	\$250,000.00		\$2,002,331.47	
DESCRIPTION				
Effective April 23, 2024, the following modifications are hereby incorporated into this contract:				
1) The last available option year is exercised and a one year extension is added. The new contract expiration date is September 30, 2026.				
2) The contract is increased by \$250,000.00.				
3) The Contractor will provide support for either version 10 or 12 through September 30, 2026.				
All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Central Procurement approval, and State Administrative Board approval on April 23, 2024.				

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

AGENCY	NAME	PHONE	EMAIL
MDHHS	Julie Kusey	517-335-9604	kuseyj@michigan.gov
DTMB	Soopriya Razdan	517-219-2766	RazdanS@michigan.gov



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

CONTRACT CHANGE NOTICE

Change Notice Number **13**
to
Contract Number **071B1300065**

CONTRACTOR	Starlims Corporation
	4000 Hollywood Boulevard, Suite 333
	Hollywood, FL 33021-755
	Peter Tyrrell
	617-513-2713
	peter.tyrrell@starlims.com
	CV0061868

STATE	Program Manager	Various	MDHHS
	Contract Administrator	Katie McFarland	DTMB
		517-930-6814	
		mcfarlandk1@michigan.gov	

CONTRACT SUMMARY				
LABORATORY INFROMATION MANAGEMENT SYSTEM (LIMS) MAINTENANCE, SUPPORT, AND ENHANCEMENTS				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS		EXPIRATION DATE BEFORE
October 1, 2010	September 30, 2015	5 - 1 Year		September 30, 2024
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS				EXTENDED PURCHASING
<input type="checkbox"/> P-Card		<input type="checkbox"/> PRC	<input type="checkbox"/> Other	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		September 30, 2024
CURRENT VALUE	VALUE OF CHANGE NOTICE		ESTIMATED AGGREGATE CONTRACT VALUE	
\$1,752,331.47	\$0.00		\$1,752,331.47	

DESCRIPTION
Effective February 28, 2024, the following amendments are hereby incorporated into the contract.
1) The Contract Administrator has been changed to: Katie McFarland mcfarlandk1@michigan.gov 517-930-6814
2) The Chief Revenue Officer has been changed to: Peter Tyrrell 300 Brickstone Dr., Suite 201 Andover, MA 01810

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

AGENCY	NAME	PHONE	EMAIL
MDHHS	Julie Kusey	517-335-9604	kuseyj@michigan.gov
DTMB	Soopriya Razdan	517-219-2766	RazdanS@michigan.gov



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

CONTRACT CHANGE NOTICE

Change Notice Number **12**

to

Contract Number **071B1300065**

CONTRACTOR	Starlims Corporation	STATE	Program Manager	Various	MDHHS
	4000 Hollywood Boulevard, Suite 333				
	Hollywood, FL 33021-755				
	Keith Pensabene	Contract Administrator		Mecca Martin	DTMB
	215.275.9721			(517) 230-5694	
	keith.pensabene@starlims.com			martinm42@michigan.gov	
	CV0061868				

CONTRACT SUMMARY				
LABORATORY INFORMATION MANAGEMENT SYSTEM (LIMS) MAINTENANCE, SUPPORT, AND ENHANCEMENTS				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
October 1, 2010	September 30, 2015	5 - 1 Year	September 30, 2023	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" 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"/>		September 30, 2024
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$1,752,331.47	\$0.00	\$1,752,331.47		
DESCRIPTION				
Effective 10/1/2023, this contract hereby executes the 4th available option year and the use of \$101,765.00 from existing funds to cover M&O and Enhancements. The new expiration date is 9/30/2024.				
Contractor Contract Administrator has been updated to Keith Pensabene.				
All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Central Procurement Services approval.				

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

AGENCY	NAME	PHONE	EMAIL
MDHHS	Julie Kusey	517-335-9604	kuseyj@michigan.gov
DTMB	Soopriya Razdan	517-219-2766	RazdanS@michigan.gov

STATEMENT OF WORK - IT CHANGE NOTICE

Project Title: Starlims Exercising Option year 4 Maintenance and Operations	Period of Coverage: 10/1/2023 – 9/30/2024
Requesting Department: Michigan Department of Health and Human Services (MDHHS)	Date: 8/2/2023
Agency Project Manager: Juley Kusey	Phone: 517-335-9604
DTMB Project Manager: Fatima Joseph	Phone: 517-614-2532

I. BACKGROUND:

The Laboratory Information Management System (LIMS) is essential to the required functions of laboratory specimen processing and test reporting of the Michigan Department of Health and Human Services (DHHS) Bureau of Laboratories (BOL) Division of Infectious Disease and Division of Chemistry & Toxicology, excluding the Newborn Screening laboratory. This includes, but is not limited to test scheduling, specimen and sample tracking/chain of custody; inventory control; laboratory reporting; notifiable disease reporting; statistical analysis and surveillance; billing and laboratory services; customer concerns/suggestions; quality control and quality assurance management; and laboratory mutual assistance/disaster recovery.

Contract **071B1300065** between the State of Michigan (State or SOM), through the Michigan Department of Health and Human Services (MDHHS or Agency) and Starlims is now being extended to exercise option year 4 for continued maintenance and support for LIMS software as well as projects to enhance the system.

II. PAYMENT SCHEDULE:

PRICING TABLE FOR FY 2024

Work Item	Cost
Annual Maintenance	\$87,765.00
Rhapsody Update Hours	\$14,000.00
Annual Total FY24	\$101,765.00

Payment will be made on monthly a basis. DTMB will pay the Vendor upon receipt of properly completed invoices which shall be submitted to the billing address on the State issued purchase order not more often than monthly. All invoices should reflect actual work completed by payment date and must be approved by the Agency and DTMB Project Manager prior to payment. DTMB will coordinate obtaining approvals. The invoices shall document to the State's satisfaction.

- Project name
- Category of work performed (maintenance and operations, support and/or enhancements
- A description of the work performed,
- The timeframe when the work was performed,
- The purchase order number,
- An invoice number,
- The invoice date, and
- The amount to be paid.

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

Please note that the invoice shall be sent to dtmb-accounts-payable@michigan.gov

III. PROJECT CONTACTS:

The designated Vendor Project Manager is:

Lev Bobovitch
511 SE 5th Ave., unit 816
Fort Lauderdale, FL 33301
305-807-0450
lev.bobovitch@starlims.com

The designated Agency Project Manager is:

Julie Kusey
Laboratory Systems Section Manager
Michigan Department of Health and Human Services Bureau of Laboratories
517-335-9604
KuseyJ@michigan.gov

The designated DTMB Project Manager is:

Fatima Joseph
Michigan Department of Technology, Management and Budget, Agency Services
Grand Tower, 9th Floor
235 S. Grand Ave
Lansing, MI 48933
517-614-2532
Josephf1@michigan.gov

The designated DTMB Contract Administrator is:

Mecca Martin
Department of Technology Management and Budget (DTMB)
Central Procurement Services
Elliot – Larsen Building
320S Walnut
Lansing, MI 48820
517-230-5694
martinm42@michigan.gov



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

CONTRACT CHANGE NOTICE

Change Notice Number **11**
to
Contract Number **071B1300065**

CURRENT CONTRACTOR	ABBOTT INFORMATICS CORPORATION
	4000 Hollywood Boulevard, Suite 515 South
	Hollywood, FL 33021-755
	Maayan Behar
	(954) 965-8663
	Maayan.behar@abbott.com
	CV0061868

NEW CONTRACTOR	STARLIMS CORPORATION
	4000 Hollywood Boulevard, Suite 333
	Hollywood, FL 33021
	Karis Townsend
	(404) 263-2905
	Karis.townsend@starlims.com
	CV0061868

STATE CONTACTS				
Program Manager	Various	MDHHS	Contract Administrator	Mecca Martin
				(517) 230-5694
				Martinm42@michigan.gov
DTMB				
CONTRACT SUMMARY				
DESCRIPTION: MAINTENANCE, SUPPORT, AND ENHANCEMENTS FOR LABORAT				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
October 1, 2010	September 30, 2015	5 – 1 Year	September 30, 2022	
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1-Year	<input type="checkbox"/>		September 30, 2023
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$1,752,331.47		\$0.00	\$1,752,331.47	
DESCRIPTION: Effective 9/27/2022, this contract hereby executes the 3rd available option year and the use of \$101,765.00 from existing funds to cover M&O and Enhancements. The new expiration date is 9/30/2023.				
Please note the Vendor Company Name for Abbott Informatics Corporation is now changed to Starlims Corporation and the sole point of contact for the Vendor is now updated to Karis Townsend.				

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

CHANGE OF CONTRACTOR NAME AND/OR TAX ID -- CHANGE NOTICE NO. 11 TO CONTRACT NO. 071B1300065

FOR THE CONTRACTOR:

Company Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Name & Title

Agency

Date



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

Project Title: Abbott STARLIMS Exercising Option year 3 M&O and to Enhance the system	Period of Coverage: 10/1/2022 – 9/30/2023
Requesting Department: Michigan Department of Health and Human Services (DHHS)	Date: 9/8/2022
Agency Program Manager: Julie Kusey	Phone: 517-335-9604
DTMB Program Manager: Soopriya Razdan	Phone: 517-219-2766

I. PROJECT OBJECTIVE:

The Laboratory Information Management System (LIMS) is essential to the required functions of laboratory specimen processing and test reporting of the Michigan Department of Health and Human Services (DHHS) Bureau of Laboratories (BOL) Division of Infectious Disease and Division of Chemistry & Toxicology, excluding the Newborn Screening laboratory. This includes, but is not limited to test scheduling, specimen and sample tracking/chain of custody; inventory control; laboratory reporting; notifiable disease reporting; statistical analysis and surveillance; billing and laboratory services; customer concerns/suggestions; quality control and quality assurance management; and laboratory mutual assistance/disaster recovery.

Contract 071B1300065 between the State of Michigan (State or SOM), through the Michigan Department of Health and Human Services (MDHHS or Agency) and Abbott Informatics Corporation (Parent Company is now changed from Abbott to Starlims Ltd.) is now being extended to exercise option year 3 for continued maintenance and support for LIMS software as well as projects to enhance the system.

II. PAYMENT SCHEDULE:

Payment will be made on monthly basis. DTMB will pay the Vendor upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. All invoices should reflect actual work completed by payment date and must be approved by the Agency and DTMB Project Manager prior to payment. DTMB will coordinate obtaining approvals.

The invoices shall document to the State's satisfaction:

- project name (if applicable)
- category of work performed (maintenance & operations, support, and/or enhancements)
- a description of the work performed,
- the timeframe when the work was performed,
- the purchase order number,
- an invoice number,
- the invoice date, and
- the amount to be paid.

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

PRICING TABLE FOR FY 2023

Annual Maintenance	\$87,765
Rhapsody Update Hours	\$14,000
Annual Total FY23	\$101,765

III. PROJECT CONTACTS

The designated Vendor Program Manager is:

Lev Bobovitch
511 SE 5th Ave., unit 816
Fort Lauderdale, FL 33301
(305)-807-0450
lev.bobovitch@abbott.com

The designated Agency Program Manager is:

Julie Kusey
Laboratory Systems Section Manager
Michigan Department of Health and Human Services
Bureau of Laboratories
517-335-9604
KuseyJ@michigan.gov

The designated DTMB Buyer is:

Mecca Martin
Michigan Department of Technology, Management and Budget, DTMB Purchasing Operations
Constitution Hall, 1st Floor
525 W. Allegan Street
Lansing, MI 48933
Office: 517-230-5694
MartinM42@michigan.gov

The designated DTMB Program Manager is:

Soopriya Razdan
Michigan Department of Technology, Management and Budget, Agency ServicesChandler
Building, 1st Floor
300 East Michigan Avenue
Lansing, MI 48933
517-219-2766
RazdanS@michigan.gov

IV. GENERAL PROVISIONS

This SOW, together with the existing Contract, constitutes the Parties' complete and exclusive statement regarding work requirements and procedures. Apart from the amendments made in this SOW, all Contract terms and conditions must remain in full force and effect

ATTACHMENT 2: WEB LINKS

The following web link is provided for convenience. An inaccessible or non-working web link will not excuse the Vendor of its duties and obligations under this Contract. Public IT Policies, Standards and Procedures (PSP):

https://www.wichigan.gov/dtmb/0,5552,7-358-82547_56579_56755---,00.htm



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 **10**
 to
 Contract Number **071B1300065**

CONTRACTOR	ABBOTT INFORMATICS CORPORATION
	4000 Hollywood Boulevard, Suite 515 South
	Hollywood, FL 33021-755
	Maayan Behar
	(954) 964-8663
	maayan.behar@abbott.com
	CV0061868

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

CONTRACT SUMMARY				
MAINTENANCE, SUPPORT, AND ENHANCEMENTS FOR LABORAT				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
October 1, 2010	September 30, 2015	5 - 1 Year	September 30, 2022	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" 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"/>		September 30, 2022
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$1,549,681.47	\$202,650.00	\$1,752,331.47		
DESCRIPTION				
Effective 12/8/2021, this contract is hereby increased by \$202,650.00 for MDHHS use to upgrade Starlims from version 10 to version 12 and integrate with MiLogin per the attached SOW. All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, and Central Procurement approval.				

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

AGENCY	NAME	PHONE	EMAIL
MDHHS	Julie Kusey	517-335-9604	kuseyj@michigan.gov
DTMB	Soopriya Razdan	517-219-2766	RazdanS@michigan.gov



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

Project Title: Abbott STARLIMS Upgrade from vPH10 to vPH12	Period of Coverage: 08/07/2021-03/31/2022
Requesting Department: Michigan Department of Health and Human Services (DHHS)	Date: 08/07/2021
Agency Program Manager: Julie Kusey	Phone: 517-335-9604
DTMB Program Manager: Soopriya Razdan	Phone: 517-219-2766

I. PROJECT OBJECTIVE:

The Laboratory Information Management System (LIMS) is essential to the required functions of laboratory specimen processing and test reporting of the Michigan Department of Health and Human Services (DHHS) Bureau of Laboratories (BOL) Division of Infectious Disease and Division of Chemistry & Toxicology, excluding the Newborn Screening laboratory. This includes, but is not limited to test scheduling, specimen and sample tracking/chain of custody; inventory control; laboratory reporting; notifiable disease reporting; statistical analysis and surveillance; billing and laboratory services; customer concerns/suggestions; quality control and quality assurance management; and laboratory mutual assistance/disaster recovery.

This is a proprietary product for which the State has purchased an enterprise license from the vendor, Abbott Informatics (Vendor), without limitation on the number, size or type of servers, workstations, barcodes, users or instruments interfaced. Contract 071B1300065 between the State of Michigan (State or SOM), through the Michigan Department of Health and Human Services (MDHHS or Agency) and Abbott Informatics Corporation (Parent Company is now changed from Abbott to Starlims Ltd.) is now being extended for upgrading the STARLIMS application from version PH10 to version PH12. Originally Vendor was responsible for 40% of the Historical/Dynamic Data Migration Milestones, and it is now changing to 100% Vendor's responsibility.

II. SCOPE OF WORK:

The Vendor will upgrade STARLIMS from Version PH10 to Version PH12 as follows:

1. Migration of Historic/Dynamic Data (60%).
2. Meeting sessions for Historic/Dynamic Data migration.
3. Verification Testing.
4. Integration into the State of Michigan's Single Sign-on (SSO) application (MILogin)

III. TASKS:

Project and technical support are required to assist with the following tasks:

- project planning, change control, and handoff/closure
- development of the database tables, web forms, templates, reports, data queries, and database update scripts
- updated system design and installation documentation to reflect the modified design and code
- testing at the unit and system level, and development of test scenarios for the added scope and regression testing
- correction of defects
- training

IV. DELIVERABLES:

1. System Upgrade

For the Business Upgrade, deliverables will not be considered complete until the Agency Project Manager has formally accepted them. This upgrade will bring the business layer of STARLIMS to PH12.0. Deliverables for this project include:

- Project Approval including a signed Statement of Work
- Project Setup
- Static Data Migration
- Configuration Review
- Porting Standalone Custom Applications
- Porting of Non-Standalone Customizations
- Historical/Dynamic Data Migration
- Verification Testing
- UAT/Validation Support
- Go-Live Support

2. MILogin Integration

MILogin is the State's single sign-on (SSO) system. This project will integrate the STARLIMS

system into the set of applications served by MILogin.

V. ACCEPTANCE CRITERIA:

All Written Deliverables and Custom Software Deliverables (Deliverables) require formal written approval by the DTMB and MDHHS Project Managers in accordance with Section 2.250 of the Contract

VI. PROJECT CONTROLS AND REPORTS

A bi-weekly progress report must be submitted to the Agency and DTMB Project Managers throughout the life of this project. Each bi-weekly progress report must contain the following:

1. **Hours:**
Monitor allocated hours usage per tasks of project and state whether the remaining hours are sufficient to complete the project.
2. **Accomplishments:**
Indicate what was worked on and what was completed during the current reporting period.
3. **Upcoming Tasks:**
Indicate tasks due within the next reporting period.
4. **Risks:**
Indicate any risks, problems, or issues, which could delay the project or endanger its success.
5. **Funds:**
For projects paid on a deliverable basis, indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.

VII. PAYMENT SCHEDULE:

Payment for the Business Enhancement Project will be made on satisfactory acceptance of each deliverable. See Attachment 1: Payment Schedule for the deliverables, and amounts. DTMB will pay the Vendor upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. All invoices should reflect actual work completed by payment date and must be approved by the Agency and DTMB Project Manager prior to payment. DTMB Accounts Payable will coordinate obtaining approvals. The invoices shall be documented to the State's satisfaction, giving following information as a minimum:

- project name (when applicable)
- category of work performed (maintenance or enhancements)

- a description of the work performed,
- the timeframe when the work was performed,
- the purchase order number,
- an invoice number,
- the invoice date, and
- the amount to be paid. Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

VIII. PROJECT CONTACTS

The designated Vendor Program Manager is:

Lev Bobovitch
511 SE 5th Ave., unit 816
Fort Lauderdale, FL 33301
(305)-807-0450
lev.bobovitch@abbott.com

The designated Agency Program Manager is:

Julie Kusey
Laboratory Systems Section Manager
Michigan Department of Health and Human Services
Bureau of Laboratories
517-335-9604
KuseyJ@michigan.gov

The designated DTMB Buyer is:

Mecca Martin
Michigan Department of Technology, Management and Budget, DTMB Purchasing Operations
Constitution Hall, 1st Floor
525 W. Allegan Street
Lansing, MI 48933
Office: 517-230-5694
MartinM42@michigan.gov

The designated DTMB Program Manager is:

Soopriya Razdan
Michigan Department of Technology, Management and Budget, Agency Services Chandler
Building, 1st Floor
300 East Michigan Avenue
Lansing, MI 48933
517-219-2766
RazdanS@michigan.gov

IX. GENERAL PROVISIONS

This SOW, together with the existing Contract, constitutes the Parties' complete and exclusive statement regarding work requirements and procedures. Apart from the amendments made in this SOW, all Contract terms and conditions must remain in full force and effect

ATTACHMENT 1: PAYMENT SCHEDULE

Item	Cost
STARLIMS Enhancement Costs	\$202,650.00
TOTAL COST:	\$202,650.00

Amounts will be payable upon acceptance of the deliverables. Payment timing may be adjusted by mutual agreement in writing.

Abbott STARLIMS Enhancements Payment Milestones

Payment for the Abbott STARLIMS Upgrade will be done according to the milestones listed below. Abbott Informatics may provide a more detailed Statement of Work (SOW) specific to the Business Layer Upgrade which will reflect the same definition of milestones as of below:

Milestone	%	Amount	Payable Upon
Abbott – updated Scope (Data Migration)	21%	\$43,400	60% of Historical\Dynamic Data Migration
Configuration Review	13%	\$26,250	Completion of Review for Ported Configuration (Reports [40%], DCUs, Load Lists, Calculations, Tests [Qty: 274])
Verification Testing	26%	\$52,500	Completion of Verification Testing by Abbott Informatics
UAT/Validation Support	13%	\$26,250	Completion of System Validation by State of Michigan Public Health Lab
Go live support	13%	\$26,250	30 Days after the Go-Live Date
Abbott – MILogin	14%	\$28,000	Completion of MILogin

ATTACHMENT 2: WEB LINKS

The following web link is provided for convenience. An inaccessible or non-working web link will not excuse the Vendor of its duties and obligations under this Contract. Public IT Policies, Standards and Procedures (PSP):

https://www.wichigan.gov/dtmb/0,5552,7-358-82547_56579_56755---,00.htm



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 **9**
 to
 Contract Number **071B1300065**

CONTRACTOR	ABBOTT INFORMATICS CORPORATION
	4000 Hollywood Boulevard, Suite 515 South
	Hollywood, FL 33021-755
	Maayan Behar
	(954) 964-8663
	maayan.behar@abbott.com
	CV0061868

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

CONTRACT SUMMARY				
MAINTENANCE, SUPPORT, AND ENHANCEMENTS FOR LABORAT				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS		EXPIRATION DATE BEFORE
October 1, 2010	September 30, 2015	5 - 1 Year		September 30, 2021
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS				EXTENDED PURCHASING
<input type="checkbox"/> P-Card		<input type="checkbox"/> PRC	<input type="checkbox"/> Other	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input checked="" type="checkbox"/>	1 Year	September 30, 2022
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$1,448,431.47	\$101,250.00	\$1,549,681.47		
DESCRIPTION				
Effective 10/1/2021 this contract is hereby increased by \$101,250.00 for Year 2 of Useful Life Extension for continued maintenance and support for LIMS software as well as projects to enhance the system beginning October 1, 2021 ending September 30, 2022. DTMB Program Manager has changed to Soopriya Razdan. All other terms, conditions, specifications, and pricing remain the same. Per Contractor and Agency agreement, and Central Procurement approval.				
Total Cost \$101,250.00 (Operation's Cost: \$87,250.00 + Rhapsody \$14,000.00)				

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

AGENCY	NAME	PHONE	EMAIL
MDHHS	Julie Kusey	517-335-9604	kuseyj@michigan.gov
DTMB	Soopriya Razdan	517-219-2766	RazdanS@michigan.gov

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



CONTRACT CHANGE NOTICE

Change Notice Number **8**
 to
 Contract Number **071B1300065**

CONTRACTOR	ABBOTT INFORMATICS CORPORATION
	4000 Hollywood Boulevard, Suite 515 South
	Hollywood, FL 33021-755
	Maayan Behar
	(954) 964-8663
	maayan.behar@abbott.com
	CV0061868

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

CONTRACT SUMMARY				
MAINTENANCE, SUPPORT, AND ENHANCEMENTS FOR LABORAT				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
October 1, 2010	September 30, 2015	0 - 1 Year	September 30, 2021	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" 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"/>		September 30, 2021
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$1,448,431.47	\$0.00	\$1,448,431.47		
DESCRIPTION				
Effective 3/16/2021 Please note the Program Manager has been changed to Heather Eakin. All other terms, conditions , specifications, and pricing remain the same per Contractor and Agency agreement, and Central Procurement approval.				

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

AGENCY	NAME	PHONE	EMAIL
MDHHS	Julie Kusey	517-335-9604	kuseyj@michigan.gov
DTMB	Heather Eakin	517-335-1892	EakinH@michigan.gov



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

CONTRACT CHANGE NOTICE

Change Notice Number **7**
 to
 Contract Number **071B1300065**

CONTRACTOR	ABBOTT INFORMATICS CORPORATION
	4000 Hollywood Boulevard, Suite 515 South
	Hollywood, FL 33021-755
	Maayan Behar
	(954) 964-8663
	maayan.behar@abbott.com
	CV0061868

STATE	Program Manager	Julie Kusey	MDHHS
		517-335-9604	
		KuseyJ@michigan.gov	
	Contract Administrator	Mecca Martin	DTMB
		517-230-5694	
		martinm42@michigan.gov	

CONTRACT SUMMARY				
MAINTENANCE, SUPPORT, AND ENHANCEMENTS FOR LABORAT				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
October 1, 2010	September 30, 2015	5 - 1 Year	September 30, 2020	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input checked="" type="checkbox"/>	5 - 1 Year Options	September 30, 2021
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$1,093,181.47	\$355,250.00	\$1,448,431.47		
DESCRIPTION				
Effective 10/1/2020 this contract is hereby increased by \$355,250.00 and extended through useful life extension adding 5 -1 year options for continued maintenance and support for LIMS software as well as projects to enhance the system. DHHS will exercise option year 1 beginning October 1, 2020 ending September 30, 2021. All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, Central Procurement approval, and State Administrative Board approval on 6/23/2020.				

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

AGENCY	NAME	PHONE	EMAIL
DTMB	Kimberly Koppsch-Woods	517-241-3314	Koppsch-WoodsK@michigan.gov
MDHHS	Julie Kusey	517-335-9604	kuseyj@michigan.gov



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

Project Title: Maintenance, Support, and Enhancements for Laboratory Information Management System (LIMS) Software	Period of Coverage: October 1, 2020 – September 30, 2025
Requesting Department: Michigan Department of Health and Human Services (DHHS)	Date: May 28, 2020
Agency Program Manager: Julie Kusey	Phone: 517-335-9604
DTMB Program Manager: Kimberly Koppsch-Woods	Phone: 517-241-3314

I. PROJECT OBJECTIVE:

The Laboratory Information Management System (LIMS) is essential to the required functions of laboratory specimen processing and test reporting of the Michigan Department of Health and Human Services (DHHS) Bureau of Laboratories (BOL) Division of Infectious Disease and Division of Chemistry & Toxicology, excluding the Newborn Screening laboratory. This includes, but is not limited to test scheduling; specimen and sample tracking/chain of custody; inventory control; laboratory reporting; notifiable disease reporting; statistical analysis and surveillance; billing and laboratory services; customer concerns/suggestions; quality control and quality assurance management; and laboratory mutual assistance/disaster recovery. This is a proprietary product for which the State has purchased an enterprise license from the vendor, Abbott Informatics (Vendor), without limitation on the number, size or type of servers, workstations, barcodes, users or instruments interfaced.

Contract 071B1300065 is being extended adding 5 – 1 year options through a useful life extension. This Statement of Work (SOW) identifies the known funds required for the five years. At this time DHHS will exercise option year 1 from 10/01/2020 to 09/30/21. The Vendor will provide continued support, maintenance and enhancements of the DHHS Public Health Laboratory Information Management System.

II. SCOPE OF WORK:

The Vendor will continue maintenance and support for LIMS software as well as projects to enhance the system.

Maintenance - Maintenance is defined as repair or replacement services provided to identify and repair software malfunctions in order to return the system to its original operating condition. Maintenance also includes an agreement to provide an annual renewable software subscription to include future upgrades (both major and minor revisions of the application) and ongoing vendor product support.

In addition to standard maintenance, the term of this Statement of Work will include the following two upgrades:

- STARLIMS Business Upgrade Project
- Updates for Rhapsody

Support – Help Desk and Technical.

Enhancement –

- Integration into the State of Michigan's Single Sign-On (SSO) application (MILogin)

Additional information about the upgrades and enhancements is provided in the Deliverables section below.

III. TASKS

Project and technical support is required to assist with the following tasks:

- project planning, change control, and handoff/closure
- development of the database tables, web forms, templates, reports, data queries, and database update scripts
- updated system design and installation documentation to reflect the modified design and code
- testing at the unit and system level, and development of test scenarios for the added scope and regression testing
- correction of defects
- training

IV. DELIVERABLES

1. Business Upgrade

For the Business Upgrade, deliverables will not be considered complete until the Agency Project Manager has formally accepted them. This upgrade will bring the business layer of STARLIMS to PH12.0. Deliverables for this project include:

- Project Approval including a signed Statement of Work
- Project Setup
- Static Data Migration
- Configuration Review
- Porting Standalone Custom Applications
- Porting of Non-Standalone Customizations
- Historical/Dynamic Data Migration
- Verification Testing
- UAT/Validation Support
- Go-Live Support

2. Rhapsody Update

STARLIMS has an embedded Orion Rhapsody integration engine for HL7 messaging where configuration requests for modifications are submitted to the Abbott Customer Support portal. Occasional licensing updates of Orion Rhapsody are required. Attachment 1: Payment Schedule includes a bank of hours of upto 10 hours per year to be used for updates to Rhapsody.

3. MILogin Integration

MILogin is the State's single sign-on (SSO) system. This project will integrate the STARLIMS system into the set of applications served by MILogin.

V. ACCEPTANCE CRITERIA:

All Written Deliverables and Custom Software Deliverables (Deliverables) require formal written approval by the DTMB and MDHHS Project Managers in accordance with Section 2.250 of the Contract

VI. PROJECT CONTROL AND REPORTS:

A bi-weekly progress report must 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 bi-weekly progress report must contain the following:

1. Hours:

For projects using the bank of 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.

2. Accomplishments:

Indicate what was worked on and what was completed during the current reporting period.

3. Upcoming Tasks:

Indicate tasks due within the next reporting period.

4. Risks:

Indicate any risks, problems, or issues, which could delay the project or endanger its success.

5. Funds:

For projects paid on a deliverable basis, indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.

VII. SPECIFIC STANDARDS

1. IT Policies, Standards and Procedures (PSP)

All services and products provided as a result of this Statement of Work must comply with all applicable State IT policies and standards. (See Attachment 2: Web Links.)

A. Security Accreditation

Vendor is required to complete the State Security Accreditation process for the solution.

B. Application Scanning

Vendor is required to grant the right to the State to scan either the application code or a deployed version of the solution; or in lieu of the State performing a scan, Vendor will provide the State a vulnerabilities assessment after Vendor has used a State approved application scanning tool. These scans must be completed and provided to the State on a regular basis or at least for each major release.

For COTS or Vendor owned applications, Vendor, at its sole expense, must provide resources to complete the scanning and to complete the analysis, remediation and validation of vulnerabilities identified by the scan as required by the State Secure Web Application Standards.

Types of scanning and remediation may include the following types of scans and activities

- Dynamic Application Security Testing (DAST) - Scanning interactive application for vulnerabilities, analysis, remediation and validation (May include IAST)
- Static Application Security Testing (SAST) - Scanning source code for vulnerabilities, analysis, remediation and validation
- Software Composition Analysis (SCA) - Third Party and/or Open Source Scanning for vulnerabilities, analysis, remediation and validation
- Native mobile application software scanning (if applicable) including any interaction with an Application Programming Interface (API)
- Penetration Testing - Simulated attack on the application and infrastructure to identify security weaknesses

C. Infrastructure Scanning

A Vendor providing Hosted Services must scan the infrastructure using an approved scanning tool (such as Qualys or Tenable) at least once every 30 days and provide the scan's assessment to the State in a format that can be uploaded by the State and used to track the remediation.

D. Acceptable Use Policy

To the extent that the Vendor has access to the State's computer system, Vendor must comply with the State's Acceptable Use Policy, see https://www.michigan.gov/documents/dtmb/1340.00.01_Acceptable_Use_of_Information_Technology_Standard_458958_7.pdf. All Vendor Personnel will be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State's system. The State reserves the right to terminate Vendor's access to the State's system if a violation occurs.

E. Look and Feel Standard

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

F. Mobile Responsiveness

Vendor's Solution must utilize responsive design practices to ensure the application is accessible via a mobile device.

G. ADA Compliance

The State is required to comply with the Americans with Disabilities Act of 1990 (ADA), and has adopted a formal policy regarding accessibility requirements for websites and software applications. The Vendor's Solution, where relevant, shall conform to level AA of the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG) 2.0. Vendor may consider, where relevant, the W3C's Guidance on Applying WCAG 2.0 to Non-Web Information and Communications Technologies (WCAG2ICT) for non-web software and content. The State may require that Vendor complete a Voluntary Product Accessibility Template for WCAG 2.0 (WCAG 2.0 VPAT) or other comparable document for the Solution. http://www.michigan.gov/documents/dmb/1650.00_209567_7.pdf?20151026134621.

VIII. PAYMENT SCHEDULE:

Payment for maintenance and support will be paid annually in accordance with Table 1: Five Year Payment Schedule in Attachment 1: Payment Schedule and the Service Level Agreement. Abbott is providing the Premium+ service level for the State of Michigan.

Payment for the Business Enhancement Project will be made on satisfactory acceptance of each deliverable.. See Attachment 1: Payment Schedule for the deliverables, due dates, and amounts.

DTMB will pay the Vendor upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. All invoices should reflect actual work completed by payment date, and must be

approved by the Agency and DTMB Project Manager prior to payment. DTMB Accounts Payable will coordinate obtaining approvals.

The invoices shall document to the State's satisfaction

- project name (when applicable)
- category of work performed (maintenance or enhancements)
- a description of the work performed,
- the timeframe when the work was performed,
- the purchase order number,
- an invoice number,
- the invoice date, and
- the amount to be paid.

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

IX. PROJECT CONTACTS:

The designated Vendor Program Manager is:

Gregory Emmert
Commercial Director, Americas
Abbott Informatics
4000 Hollywood Boulevard, Suite 333 South
South Hollywood, FL 33021
954-416-1548
gregory.emmert@abbott.com

The designated Agency Program Manager is:

Julie Kusey
Laboratory Systems Section Manager
Michigan Department of Health and Human Services
Bureau of Laboratories
517-335-9604
KuseyJ@michigan.gov

The designated DTMB Buyer is:

Mecca Martin
Michigan Department of Technology, Management and Budget, DTMB Purchasing
Operations
Constitution Hall, 1st Floor
525 W. Allegan Street
Lansing, MI 48933
Office: 517-242-6664
MartinM42@michigan.gov

The designated DTMB Program Manager is:

Kimberly Koppsch-Woods
Michigan Department of Technology, Management and Budget, Agency Services
Chandler Building, 1st Floor
300 East Michigan Avenue
Lansing, MI 48933
517-241-3314
Koppsch-WoodsK@michigan.gov

X. GENERAL PROVISIONS

This SOW, together with the existing Contract, constitutes the Parties' complete and exclusive statement regarding work requirements and procedures. Apart from the amendments made in this SOW, all Contract terms and conditions must remain in full force and effect.

ATTACHMENT 1: PAYMENT SCHEDULE

I. MAINTENANCE, SUPPORT AND ENHANCEMENTS

Table 1: Five Year Payment Schedule

	FY20	FY21	FY22	FY23	FY24	FY25	FY TBD ³	5 Years
Maintenance and Operations								
Annual Maintenance		\$87,765	\$87,765	\$87,765	\$87,765	\$87,765		\$438,825.
Rhapsody Update Hours¹	\$14,000 ²	\$14,000	\$14,000	\$14,000	\$14,000			\$70,000
Maintenance Subtotal:								\$508,825
Enhancements								
MILogin Interface							\$28,000	\$28,000 ³ .
Business Layer Upgrade⁴	\$341,250	\$183,750						\$525,000.
Enhancement Subtotal:								\$553,000
Annual Subtotals	\$355,250	\$285,515	\$101,765	\$101,765	\$101,765	\$87,765	\$28,000	\$1,061,825
Total:							\$1,061,825	

Maintenance will be payable at the start of each contract year. Enhancements will be payable upon acceptance of the deliverables. Payment timing may be adjusted by mutual agreement in writing.

¹ This bank of hours, not to exceed 10 hours/year, is available to be used to maintain the integration software (currently Rhapsody) to current standards. Each of these updates must be pre-approved by the DTMB Program Manager. The State does not commit to procuring services in the quantities estimated or in other amounts. The State at its discretion may not use the fees.

² The bank of hours for FY20 is approved for use for Phase 2 of a Rhapsody update to the HL7 messaging used by the U.S. Center for Disease Control (CDC) for emergency purposes. Invoices should reflect the actual number of hours worked. Any hours not used for this update will remain in the bank and may be used at the State's discretion for other updates pre-approved by the DTMB Program Manager. Phase 1 is described in a separate Statement of Work and will be paid with purchase order DOIT1 19*0817.

³ The project to interface the system with MILogin has not been scheduled yet. It will require project approval of IT governance before proceeding.

⁴ The milestones and payment amounts for the Business Layer Upgrade are listed in more detail in Table 2: Payment for the Business Layer Upgrade below.

II. ENHANCEMENTS

1. MILogin Interface

The MILogin interface will be will be paid with one-time fee of \$28,000 upon acceptance of the deliverable (a successful interface).

2. Business Layer Upgrade

Table 2: Payment for the Business Layer Upgrade

Definition of milestones and corresponding ROM (Rough Order of Magnitude) for payments.

Note: Abbott Informatics will provide a more detailed Statement of Work (SOW) specific to the Business Layer Upgrade which will reflect the same definition of milestones as of below, once the funding for the project is approved.

Milestone	%	Amount	Payable upon	FY20	FY21
Project Approval	25%	\$131,250	Approval and Signing of the SOW (Statement of Work)	x	
Project Setup	10%	\$52,500	Completion of Enviroments Setup (Dev & Test) Runtime Upgrade to the Latest Official Version Approval of Professional Services Development Plan (PSDP)	x	
Static Data Migration	5%	\$26,250	Completion of Static Data Migration / Data Massaging	x	
Configuration Review	5%	\$26,250	Completion of Review for Ported Configuration (Reports [40%], DCUs, Load Lists, Calculations, Tests [Qty: 274])	x	
Porting Standalone Custom Applications	5%	\$26,250	Completion of Porting Michigan Specific Standalone Custom Applications [Qty: 35]	x	
Porting of Non-Standalone Customizations	15%	\$78,750	Completion of Porting Michigan Specific Non-Standalone Custom Applications, Scripts, 3rd Party Interfaces, Batch Actions [Qty: 28]	x	
Historical/ Dynamic Data Migration [40%]	15%	\$78,750	Completion of the Shared 40% of Estimated Effort for Historical Data Migratin		x
Verification Testing	10%	\$52,500	Completion of Verification Testing by Abbott Informatics		x
UAT/Validation Support	5%	\$26,250	Completion of System Validation by State of Michigan Public Health Lab		x
Go-Live Support	5%	\$26,250	30 Days after the Go-Live Date		x
Total:		\$525,000		\$341,250	\$183,750

ATTACHMENT 2: WEB LINKS

The following web links are provided for convenience. An inaccessible or non-working web link will not excuse the Vendor of its duties and obligations under this Contract.

Public IT Policies, Standards and Procedures (PSP):

https://www.michigan.gov/dtmb/0,5552,7-358-82547_56579_56755---,00.html

Abbott Informatics

Annual Maintenance Plan

The purpose of this document is to describe the services provided under the renewable Annual Maintenance Plan. There are three main features within the Abbott Informatics Software Maintenance Plan:

1. New Revisions, Software Updates and Maintenance Releases
2. Access to Technical Support Services
3. Submission and Summaries of Software Investigation and Defect Reports

1. NEW REVISIONS, SOFTWARE UPDATES, PATCHES AND MAINTENANCE RELEASES

During the contracted maintenance plan period defined within your license agreement, any new maintenance releases or software patches will be available at no extra charge. These releases may contain bug fixes as well as enhancements to the product. Support of older software versions may be affected by the release of new revisions of the software.

An update may include software shipped on appropriate media and with accompanying documentation. In most cases, complete update procedure manuals and/or release notes will also be provided. Whenever possible, maintenance releases and software patches will be made available electronically (via our website). The maintenance plan does not include Professional Services to install software updates.

2. ACCESS TO STARLIMS TECHNICAL SUPPORT

Subject to the terms of your license or maintenance agreement, Abbott Informatics support staff are available Monday through Friday from 9:00 a.m. to 5.30 p.m. (local time), excluding holidays, to answer questions related to the use of the licensed software covered by this maintenance plan. In addition, per this agreement your organization will assign two trained and qualified technical liaisons who will be your designated personnel, known as point-of-contacts (POC), to communicate with the Abbott Informatics Support staff. These liaison personnel should have completed all related software application training courses, be familiar with the Abbott Informatics applications and installation, and have knowledge of computer systems, networking and the Oracle or Microsoft SQL Server database.

POC's may request their inquiries through our customer portal. A ticket number will then be generated in our customer call database. Your customer portal is the primary method of communication between customers and Abbott Informatics. POCs may also call or email the support staff with an inquiry. During the call, the support staff will log a ticket on their behalf.

After a ticket number is assigned, Abbott Informatics Support staff will seek to respond to your questions or help in the resolution of problems by using the following basic procedure:

1. The question may be answered and responded to immediately after receipt of the inquiry.
2. If the question is not resolved immediately, research is performed and the customer is given return communication with the answer to the inquiry, if an answer has been obtained.

3. If the research does not produce a resolution, and the problem is believed to be caused by application error*, an Abbott Informatics Support representative will attempt to reproduce the problem on a similar in-house installation.
4. If the problem cannot be reproduced on an in-house system, Abbott Informatics' Support Staff will seek to review the specifics of the customer's particular installation procedures, versions of other software, special applications, etc., and use reasonable efforts to determine what is different. This information will be used in an attempt to resolve the problem.
5. If a problem believed to be caused by program error has not been resolved, Abbott Informatics Support representatives may request, and with the cooperation, knowledge and assistance of the customer, remotely access the customer's system if possible. Firsthand observation by a Support representative through such remote access will then be used to try to resolve the problem. If a resolution is still not reached, the Support representative will seek to address the problem with the customer with the assistance of personnel from STARLIMS professional services or software development group.

All inquiries are logged and tracked in Abbott Informatics' customer portal. This information is used:

- To check the status of the call and to supplement an information lookup table.
- By the Support Organization to solve similar problems that may be logged.
- As a guide to what items may need supplemental documentation.

If the resolution to the problem requires a change to the application code, the Abbott Informatics Project Team will make a determination as whether to implement those changes in the next revision or provide a patch (if feasible). The latter is used only when a critical (urgent) application error occurs.

If at any time in this process a Software Investigation or Defect Report is submitted involving an application error and the application error is regarded as urgent* and the problem is still unresolved, the following steps may be taken:

1. Abbott Informatics Support and the customer will each assign a person to work on the problem utilizing commercially reasonable efforts to attempt to resolve the problem. This may require remote access to the customer's system running the application in question.
2. If after applying these efforts, a resolution is still not available; a STARLIMS Support representative may visit the customer's site to attempt to resolve the problem.

If the resolution to the problem requires a change to the application code, the Abbott Informatics Support Team will make a determination as whether to implement those changes in the next revision.

A critical application error that requires code change may be resolved in the form of a patch if feasible.

An application error means a code in the Licensed Application that produces results or actions that are reproducible by Abbott Informatics, that are inconsistent with those described in the documentation for Licensed Applications, and that materially adversely impacts operational performance or functional performance.

(*) An application error is regarded as urgent (a “Critical Application Error”) if at least one of the following applies:

- Your mission critical data is at a significant risk of loss or corruption
- You have had a substantial loss of service
- Your business operations have been severely disrupted
- No workaround is immediately available

Please see the SLA Plan Coverage section for Priority Definitions.

Please take note that:

If a client-reported problem is subsequently found

- a) to be routed in an application error on the client’s side or if it*
- b) can be ascribed to the client in any other way (for example if the problems are routed in the client’s IT infrastructure or other support services),*

The client may be charged with the support services which have already been rendered. These may be invoiced in arrears as additional services on the basis of our hourly rate in effect.

Our Support personnel can best provide you with assistance if you are using the most current revision of the software. Since we often use remote access via the Internet to take a firsthand look at a problem, we ask that the customer insure that remote access is obtainable. We also strongly recommend that you always maintain recent backups of your system. These actions along with the cooperation of your qualified staff will help us provide timely answers to questions and quick resolutions to problems.

3. SOFTWARE DEFECT AND INVESTIGATION REQUEST SUBMITTAL AND REPORTS

Abbott Informatics collects, processes and makes available reports of anomalies, problems or non- conformances in its applications software that are thought to be due to a need to change the application code. A specialized Defect Investigation on-line system has been developed to submit reports of perceived anomalies, problems or non- conformances, and requests for changes to the application software. These may also include requests for enhancements. Each customer covered by an Annual Maintenance Plan has the right to submit defect reports. Defect Investigation reports are also submitted from all the STARLIMS worldwide support and service organizations.

Requests are entered into the Abbott Informatics internal database and are reviewed by the Support, Engineering, and Professional Services organizations. The database contains information describing the problem or request for enhancement as well as follow-up responses and final resolutions. Any work-around that is available is also documented.

This information, along with details of revisions, known existing problems for the revision, and guidance on problem avoidance, is distributed to customers under a Software Maintenance Plan on a regular basis.

Customer Responsibilities:

- a) Maintain Technical Capabilities of Available Technical Liaisons*

It is essential that all customers maintain two competent technical liaisons to interface with the STARLIMS Technical Support group.

If at any time the customer's designated technical contacts are not available to initiate a technical inquiry, a substitute with adequate technical qualifications may fill in as necessary. Abbott Informatics does not allow distribution list email addresses to be used as a POC email in the customer portal. Each POC must have a unique email that can be readily identified as an employee of the client.

If there is a change of a customer's designated technical contact, it is the customer's responsibility to provide an adequate replacement liaison. Liaisons must be trained in the necessary applications software training courses, be familiar with the software applications and installation, and have knowledge of computer systems, networking and relational databases. Abbott Informatics' obligation to provide the maintenance plan described in Section 1 above is conditioned upon the customer having qualified designated contacts. The System Administration course is the minimum required training.

The System Administration course is an online, self-paced course.

b) Maintain Available Remote Diagnostic Capabilities

Except where Cloud Services are being provided by Abbott*, It is strongly advised that all customers provide a means for the Abbott Informatics Support group to provide remote diagnostic capabilities. This is usually accomplished through an available internet connection to the customer's system. In many cases a VPN connection is used.

Abbott Informatics is not responsible for providing a remote connection to the customer's system if the system is not equipped for such a connection. Abbott Informatics will make commercially reasonable efforts to assist the customer in configuring such a connection in the event it becomes necessary to diagnose an application-related error. Anything more than these efforts, or any on-site services rendered by Abbott Informatics to address this kind of configuration must be handled through the purchase of additional services.

c) Backup and Recovery

Except where Cloud Services are being provided by Abbott*, It is essential that all customers routinely backup and perform an integrity check on their application's databases, and that the procedures to accomplish this have been recovery tested.

Abbott Informatics is not responsible for lost data. However, Abbott Informatics will make commercially reasonable efforts from its offices to assist in the recovery of the system and of data in the event of a system failure. Anything more than these efforts, or any on-site services rendered by Abbott Informatics to address this kind of issue, must be handled through procurement of additional services.

It is the customer's sole responsibility to ensure that a suitable backup strategy is in place in order to maintain adequate disaster recovery capabilities. An up to date backup may be required in order to assist in the completion of the support task.

d) Hardware and Operating System Maintenance

Except where Cloud Services are being provided by Abbott*, It is essential that all customers maintain adequate support coverage for both their hardware and operating system software.

The Abbott Informatics Maintenance Plan does not provide Operating System software or hardware problem support. It also does not provide updates to customer's Hardware or Operating Systems regardless of how or where the system was acquired. Customers must maintain the necessary vendor services in order to keep their software systems in proper working order and under the recommended hardware and software configurations.

Abbott Informatics Support will provide hardware or operating system configuration assistance on a commercially reasonable effort basis.

Abbott Informatics' support staff reserve the right to refuse requests to alter, enhance or modify a customer's server, operating system or RDBMS. In cases where assistance is provided, Abbott Informatics accepts no liability whatsoever for any undesired effects.

e) Coverage and Payments

If a customer has purchased a maintenance plan, the initial term of the plan begins three months after software purchase. Plans are sold in not less than one-year periods, and are renewable at the then current list price, on or before expiration. Quotes are sent, and Purchase Orders or other forms of payment must be received before the start of a Plan year for the annual Fee; otherwise loss of coverage and services will result. Lack of continuous coverage will result in a surcharge before reinstatement. In addition, Abbott Informatics will not provide professional services for customers not on a maintenance contract.

f) Additional Services (billable)

In the event customers require services that are outside the scope of the maintenance plan, they may request dedicated time on a separately priced consulting basis by contacting their Abbott Informatics Account Manager. Quotes for additional services (billable) include:

1. Installation/Update/Data Migration services*
2. Backup, recovery and integrity checking strategies, procedures and code*
3. System design processes
4. Site specific configuration (Custom work) and Reports after "Go Live"
5. Assistance with issues caused by IT infrastructure. This includes Database, Operating System, Network, Communications - ODBC drivers, third party software products (e.g. ORACLE or Microsoft products even if they were sublicensed from ABBOTT INFORMATICS to the customer), Hardware and Printers*
6. Configuration changes necessary to complete the implementation of customer applied changes
7. Changes made to validated scripts, formulas, code, configuration and implementation made by the client after go live
8. Performance tuning*
9. On-site support in case of remote connection not available*
10. STARLIMS Technology Upgrade services*
11. Creating additional database instances*
12. Implementation strategies and consulting
13. Support outside of standard business hours
14. Additional configuration and/or customizations

15. Additional training and software development, including the STARLIMS Scripting Language, Jscript, and Web Services

(*) Except where Cloud Services are being provided by Abbott as these are included services of your cloud contract.

g) Support for Custom Application Software

The Abbott Informatics maintenance plan ONLY provides coverage for the out-of-the-box product and customizations performed by Abbott Informatics employees and contract resources utilized by Abbott Informatics. This does not include contract resources utilized by the customer during, or after, the implementation of the software. Customers may, for various reasons, create, modify or contract third parties to create or modify reports, forms, database structures, application interfaces, and other aspects of the standard software. The Abbott Informatics maintenance plan DOES NOT provide coverage for support of such modifications or customizations that are not performed by Abbott Informatics employees or contract resources utilized by Abbott Informatics.

The Abbott Informatics maintenance plan DOES NOT provide coverage for third party software products, including Oracle or Microsoft products even if the software is sublicensed to the customer by Abbott Informatics. In the case that Abbott Informatics support resources (excluding dedicated support agents) utilize time in determining the root cause of an issue, only to find that the issue was due to development entirely performed by the customer's third party, the client shall be charged the current professional services rate for the time spent in determining and documenting the root cause of the issue. Any further time required to resolve the issue will be billed at the standard rate.

The Customer must agree in writing to compensate the Supplier for the foregoing after a thorough review of the events which shall be discussed and agreed to, between the parties through a formal review.

SLA PLAN COVERAGE

Response Time — The amount of time between opening a ticket in Zendesk and the agent assigned contacting you about the issue.

Target Resolution Time – As each issue is different in complexity, we cannot make a commitment to when an issue will be resolved. However we strive to meet the times listed in the table.

	Standard	Premium+
Coverage	Business Hours	Business Hours 24x7 for Urgent
Response Time		
Urgent	4 Business Hours	2 Hours
High	2 Business Days	4 Business Hours
Normal	4 Business Days	2 Business Days
Low	6 Business Days	4 Business Days
Target Resolution Time		
Urgent	1-2 Business Days	
High	3 Business Days	
Normal	5 Business Days	
Low	10 Business Days	

Periodic Update Times	
Urgent	4 Business Hours
High	1 Business Day
Normal	5 Business Days
Low	10 Business Days















When opening a ticket in Zendesk, please use the following table to select the priority. Please note that the priorities Urgent and High are reserved for production environments only.

Priority Defined	
Urgent	<p>Failure of essential applications or components in the production environment* where no workaround is available. The customer cannot conduct core business because one or more of the following is true:</p> <ul style="list-style-type: none">• System is unavailable• Data is lost, corrupted• Security is compromised• Business/financial operations cannot be completed• Good laboratory practice operations cannot be completed; legal/regulatory implications
High	<ul style="list-style-type: none">▪ Failure of essential applications or components in the production environment* where a potential workaround is available. Customer's business operations are severely impaired, but still functioning.
Normal	<ul style="list-style-type: none">▪ Failure of applications or components in any environment (production, development or test) that are not essential to daily operations. A potential workaround or degraded mode of operation is available.
Low	<ul style="list-style-type: none">▪ A superficial defect that does not impact the customer's ability to carry out business components in any environment (production, development or test). May include defects in user interface, grammatical errors, or other minor cosmetic or usability issues.

* We understand product defects during an implementation project may delay your implementation and your project manager will submit tickets on behalf of your project.

XI. SLA PLAN DIFFERENCES

Abbott is providing the Premium+ service level for the State of Michigan.

Coverage	Standard	Premium+
New Revisions, Software Updates and Maintenance Releases		
Access to Technical Support Services via email, web		
Submission and Summaries of Software Investigation and Defect Reports		
Help Center Knowledge Base		
Phone Support		
Follow the Sun (issue will be worked in multiple time zones until resolved)		
24-hour technical support for urgent tickets		
Annual system performance review		

If ABBOTT INFORMATICS fails to meet any of the performance levels notwithstanding the SLAs contained herein the foregoing table within the specified timeframe, other than due to the reasons attributable to failure or negligence on the part of Customer or its employees or force majeure events, ABBOTT INFORMATICS may be required to credit the Customer, subject to the Services Agreement, the service fees attributable the number of days beyond the Resolution Time. Customer may elect to use these credits to offset future maintenance fees or reallocation to other services which may not yet have been identified within the Services Agreement nor in this Schedule.

The Customer shall maintain a record of non-performance events and this shall be shared with the Supplier within 90 working days after the event, in writing. These records shall be reviewed bi-annually or when required, for corrective actions and improvement plans. Any corrective actions shall be added to this Schedule via an Amendment.

Nothing in the foregoing shall limit the Customer's ability to seek injunctive relief under the Services Agreement.

For purposes of this Service Level Agreement, a Service Credit will be deemed to be an amount equal 1/30th of the monthly fee for the Annual Maintenance Plan (annual costs/12) (herein referred to as "Service Credit"). The total Service Credits for a given month will, in no event, exceed an amount equal to 30% of the then-current support monthly fee. All service credits will be calculated assuming a 30-day month. LICENSEE's right to receive service credit(s) will be LICENSEE's exclusive remedy for Abbott Informatics' failure to satisfy the Support Service Level Commitment.

To receive Service Credits, LICENSEE must submit a written request or notify its designated Service Manager at Abbott Informatics' within 90 days after the date which the support SLA commitment was not met, or LICENSEE's right to receive Service Credits with respect to such unavailability will be waived.

ESCALATION PROCESS

The following procedure will be followed if resolution is required to a conflict arising during the resolution of an issue.

- When a conflict arises between Abbott Informatics Support and the client, the support team member(s) and client POC will first strive to work out the conflict internally
- Level 1: If the support team cannot resolve the conflict within two (2) working days, the Abbott Informatics Regional Support Manager and client's business system owner will meet to resolve the conflict
- Level 2: If the conflict is not resolved within three (3) working days after being escalated to Level 1, the Abbott Technical Solutions Director will meet with the client's business Executive to resolve the conflict
- If the conflict remains unresolved after Level 2 intervention, the conflict will be handled in accordance with the MEDIATION AND ARBITRATION OF DISPUTES clause in the STARLIMS LICENSE AND SERVICES AGREEMENT

Subject to the terms of your license agreement, Abbott Informatics reserves the right to make changes to this maintenance plan, which may become effective on any annual renewal date. If any changes are made, customers will be notified with a minimum of a 30-day notice.



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 **6**
 to
 Contract Number **071B1300065**

CONTRACTOR	ABBOTT INFORMATICS CORPORATION
	4000 Hollywood Boulevard, Suite 515 South
	Hollywood, FL 33021-755
	Maayan Behar
	(954) 964-8663
	maayan.behar@abbott.com
	CV0061868

STATE	Program Manager	Julie Kusey	MDHHS
		517-335-9604	
		KuseyJ@michigan.gov	
	Contract Administrator	Mecca Martin	DTMB
		517-230-5694	
		martinm42@michigan.gov	

CONTRACT SUMMARY				
MAINTENANCE, SUPPORT, AND ENHANCEMENTS FOR LABORAT				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
October 1, 2010	September 30, 2015	5 - 1 Year	September 30, 2020	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" 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"/>		September 30, 2020
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$1,093,181.47	\$0.00	\$1,093,181.47		
DESCRIPTION				
Effective 5/19/2020 the following amendment leverages \$4,400.00 of existing funds and is hereby incorporated into the contract per the attached Statement of Work from March 26, 2020 until July 31, 2020. This change includes professional services for an enhancement to the existing Rhapsody system. All other terms, conditions, specifications and pricing remain the same. Per Contractor and Agency agreement, and Central Procurement approval.				

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

AGENCY	NAME	PHONE	EMAIL
DTMB	Kimberly Koppsch-Woods	517-241-3314	Koppsch-WoodsK@michigan.gov
MDHHS	Julie Kusey	517-335-9604	kuseyj@michigan.gov



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

Project Title: Rhapsody Modification for Laboratory Information Management System (LIMS) Software	Period of Coverage: March 26, 2020 – July 31, 2020
Requesting Department: Michigan Department of Health and Human Services (DHHS)	Date: March 26, 2020
Agency Program Manager: Julie Kusey	Phone: 517-335-9604
DTMB Program Manager: Kimberly Koppsch-Woods	Phone: 517-241-3314

I. BACKGROUND

The Laboratory Information Management System (LIMS or STARLIMS) is essential to the required functions of laboratory specimen processing and test reporting of the Michigan Department of Health and Human Services (DHHS) Bureau of Laboratories (BOL) Division of Infectious Disease and Division of Chemistry & Toxicology, excluding the Newborn Screening laboratory. Abbott Informatics Corporation (Vendor) supports and hosts LIMS for DHHS under contract 071B1300065 (Contract).

II. PURPOSE

Professional Services

Part #	Description	Location	Qty	Unit Price	TOTAL
PS-PRO	STARLIMS Implementation Package While the STARLIMS platform provides default functionality for the rapid deployment of common business processes, each organization has individual characteristics that are configured, validated and tested through an iterative site-specific implementation process. Scope: The scope of the work is an enhancement to existing Rhapsody system. The customer is responsible for the STARLIMS solution portion of the project.	Package	1	USD \$4,400.00	USD \$4,400.00

This covers up to 24 hours of professional services for phase one of this project that includes discovery and completion of technical requirements.

III. PAYMENT SCHEDULE

Payment of \$4,400 will be made on the satisfactory acceptance of the discovery and technical requirements deliverables. DTMB will pay the Vendor upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. DTMB Accounts Payable will coordinate obtaining approvals.

The invoices shall document to the State's satisfaction

- project name (if applicable)
- category of work performed (maintenance or enhancements)
- a description of the work performed,
- the timeframe when the work was performed,
- the purchase order number,
- an invoice number,
- the invoice date, and
- the amount to be paid.

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

I. PROJECT CONTACTS:

The designated Vendor Program Manager is:

Gregory Emmert
Commercial Director, Americas
Abbott Informatics
4000 Hollywood Boulevard, Suite 333 South
South Hollywood, FL 33021
954-416-1548
gregory.emmert@abbott.com

The designated Agency Program Manager is:

Julie Kusey
Laboratory Systems Section Manager
Michigan Department of Health and Human Services
Bureau of Laboratories
517-335-9604
KuseyJ@michigan.gov

The designated DTMB Buyer is:

Mecca Martin
Michigan Department of Technology, Management and Budget, DTMB Purchasing
Operations
Constitution Hall, 1st Floor
525 W. Allegan Street
Lansing, MI 48933
Office: 517-242-6664
MartinM42@michigan.gov

The designated DTMB Program Manager is:

Kimberly Koppsch-Woods
Michigan Department of Technology, Management and Budget, Agency Services
Chandler Building, 1st Floor

300 East Michigan Avenue
Lansing, MI 48933
517-241-3314
Koppsch-WoodsK@michigan.gov



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

CONTRACT CHANGE NOTICE

Change Notice Number **5**

to

Contract Number **071B1300065**

CONTRACTOR	ABBOTT INFORMATICS CORPORATION
	4000 Hollywood Boulevard, Suite 515 South
	Hollywood, FL 33021-755
	Maayan Behar
	(954) 964-8663
	maayan.behar@abbott.com
	CV0061868

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

CONTRACT SUMMARY

MAINTENANCE, SUPPORT, AND ENHANCEMENTS FOR LABORATORY INFORMATION MANAGEMENT SYSTEM (LIMS) SOFTWARE

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
October 1, 2010	September 30, 2015	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 checked="" type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 Year, 9 months	<input type="checkbox"/>		September 30, 2020
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$929,110.00	\$164,071.47	\$1,093,181.47		

DESCRIPTION

Effective 11/30/2018, the parties exercise the remaining 1 Year, 9 months option time and add \$164,071.47 for the services detailed in the attached statement of work. All other terms, conditions, specifications, and pricing remain the same.

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

AGENCY	NAME	PHONE	EMAIL
DTMB	Kimberly Koppsch-Woods	517-241-3314	Koppsch-WoodsK@michigan.gov
MDHHS	Julie Kusey	517-335-9604	kuseyj@michigan.gov



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

Project Title: LIMS Services Option Year 4 and 5	Period of Coverage: 01/01/2019 – 09/30/20
Requesting Department: Michigan Department of Community Health (MDCH)	Date: 09/07/2018
DTMB Project Manager: Kimberly Koppsch-Woods	Phone: (517) 241-3314
Agency Project Manager: Julie Kusey	Phone: (517) 335-9604

This Statement of Work (SOW) is made a part of a Change Notice No. to Contract 071B1300065 (Contract) between the State of Michigan (State or SOM) and Abbott Informatics, Inc. (Abbott or Contractor) effective as of the date set forth on the signature page of this Agreement. **NOW THEREFORE**, the Parties agree as follows:

I. BRIEF DESCRIPTION

1.1 This Contract Change Notice (CCN) for Contract 071B1300065 is to extend the contract for the fourth and fifth, two (1) year options of five (5), per section 2.002 Options to Renew, for ongoing maintenance, support and future enhancements of the Michigan Department of Health and Human Services (MDHHS) Laboratory Information Management System (LIMS). For the time frame of 01/01/2019 – 09/30/20.

II. BACKGROUND

2.1 The Laboratory Information Management System (LIMS) is essential to the required functions of laboratory test processing. This includes, but is not limited to test scheduling; specimen and sample tracking/chain of custody inventory control; general laboratory reporting; notifiable disease reporting; statistical analysis and surveillance; billing and laboratory services; contract and grant management; training, and resource management; lab certifications/licensing; customer concerns/suggestions; quality control and quality assurance management; and laboratory mutual assistance/disaster recovery. This is a proprietary product for which the State has purchased an enterprise license from the vendor, Abbott Informatics (formally Starlims Corporation), without limitation on the number, size or type of servers, workstations, barcodes, users or instruments interfaced.

2.2 The LIMS software complies with the required Centers for Disease Control and Prevention (CDC), Public Health Information Network (PHIN), Association of Public Health Laboratories (APHL), National Electronic Disease Surveillance System (NEDSS), Clinical Laboratory Improvement Amendments (CLIA), Environmental Protection Agency (EPA), and Clinical and Laboratories Standards Institute (CLSI) guidelines, requirements and regulations. These guidelines, requirements and regulations have been federally mandated to ensure that public health laboratories can respond and can exchange health information with other public health partners at the local, state and federal level to protect citizens during a public health crisis brought about by outbreaks and/or bio-terrorism. The LIMS provides real time reporting

of laboratory reports to healthcare providers, as well as local, state and federal health officials in order to prevent illness, disease and deaths.

III. PROJECT OBJECTIVE

3.1 Contractor will be providing continued support, maintenance and enhancements of the MDHHS Public Health's LIMS for the time period of 01/01/2019 – 09/30/20.

IV. SCOPE OF WORK

4.1 Per the base contract, SOM Number 071B1300065, Contractor will provide the following services for the complete and successful support and maintenance of the proprietary LIMS system providing the functionality required for the State's business operations. A more complete description of the supplies and/or services sought for this project is provided in Section 1.104, Work and Deliverables. This project consists, but is not limited to the following components:

- a) Maintenance - Maintenance is defined as repair or replacement services provided to identify and repair software malfunctions in order to return the system to its original operating condition. Maintenance also includes an agreement to provide an annual renewable software subscription to include future upgrades (both major and minor revisions of the application) and ongoing vendor product support.
- b) Support – Help Desk and Technical.
- c) Enhancements –
 - a. STARLIMS Runtime Upgrade Project (See quote attached for details)
 - b. Optional future enhancements will be determined at time of need and a separate statement of work will be developed.

V. TASKS

5.1 Technical support is required by Contractor to implement this change.

VI. DELIVERABLES

6.1 Deliverables will not be considered complete until the DTMB and Agency Project Manager have formally accepted in writing. Deliverables for this project include, but are not limited to:

- a) Ongoing LIMS support and maintenance.
- b) STARLIMS Runtime Upgrade Project
- c) Optional future enhancements upon request.

VII. ACCEPTANCE CRITERIA

7.1 Work will not be considered complete until both, DTMB and MDHHS Agency Program Managers have formally accepted in writing.

VIII. PROJECT CONTROL AND REPORTS

8.1 Specifications and configuration documents will be provided by the vendor and approved by DTMB and MDHHS. Vendor will be provided a timeline for the enhancement(s) to be approved by DTMB and MDHHS. Final configuration documents and related support documents will be provided prior to the enhancement completion.

IX. SPECIFIC DEPARTMENT STANDARDS

9.1 Must follow Health Insurance Portability and Accountability Act (HIPPA) guidelines and regulations.

9.2 Comply with State wide and Department Standards as outlined in base contract number 071B1300065.

X. PAYMENT SCHEDULE

Cost Table

Item #	Description	Quantity/ Unit	Not to Exceed
A	Maintenance, Operations & Help Desk	12 months	\$81,975.23
A1	Maintenance, Operations, & Help Desk Support billed in accordance with Contract Attachment 1, Cost Table, Table 1. Term 1/1/19-12/31/19		
B	Maintenance, Operations & Help Desk	9 months	\$62,096.24
B1	Maintenance, Operations & Help Desk Support billed in accordance with Contract Attachment 1, Cost Table, Table 1. Term 1/1/20 – 9/30/20		
C	Enhancements		
C1	STARLIMS Runtime Upgrade – Enhancement billed in accordance with Contract Attachment 1, Cost Table, Table 2.	80 hours	\$15,560.00
C2	Optional Future Enhancements. Current contract permits adding funding to facilitate the development of enhancements. State of Michigan (SOM) is not obligated to use all hours each year. Enhancements are to be billed in accordance with Contract Attachment 1, Cost Table, Table 2.		\$4,440.00
Total Cost:			\$164,071.47

10.1 Payment will be made on a satisfactory acceptance of deliverable basis and all invoices must include the purchase order. DTMB will pay Contractor upon receipt of properly completed invoices which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Contracts area will coordinate obtaining Agency Program Manager and DTMB Program Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency Project Manager 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.

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

XI. EXPENSES

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

XII. PROJECT CONTACTS

12.1 The designated Agency Program Manager is:
Julie Kusey
Michigan Department of Health and Human Services
Bureau of Laboratories
3350 N. Martin Luther King Jr. Blvd.
Lansing, MI 48906

(517)335-9604
kuseyj@michigan.gov

- 12.2 The designated DTMB Program Manager is:
Kimberly Koppsch-Woods
DTMB Agency Services Supporting MDHHS Behavior and Population Health
Chandler Building / 1st Floor
300 East Michigan Ave.
Lansing, MI 48933
517-241-3314
Koppsch-woodsk@michigan.gov

XIII. AGENCY RESPONSIBILITIES

- 13.1 As described in contract 071B1300065.

XIV. GENERAL PROVISIONS

- 14.1 **Location:** All work will be completed offsite at vendors' location.

14.2 **Web or Hyperlinks.** In the event Contractor is unable to access or view any of the web links (also known as hyperlinks) contained within this Contract, Contractor must promptly notify the DTMB Program Manager. An inaccessible or non-working web link will not excuse the Contractor of its duties and obligations under this Contract. Contractor is responsible for ensuring its personnel and/or subcontractors have reviewed all State and DTMB policies under this Contract.

14.3 **Entire Agreement.** This SOW, together with the existing Contract, constitutes the Parties' complete and exclusive statement regarding work requirements and procedures. Apart from the amendments made in this SOW, all Contract terms and conditions must remain in full force and effect.

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



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

CONTRACT CHANGE NOTICE

Change Notice Number **4**
 to
 Contract Number **071B1300065**

CONTRACTOR	Abbott Informatics Corporation
	4000 Hollywood Boulevard, Suite 515 South
	Hollywood, FL 33021-755
	Maayan Behar
	(954) 964-8663
	maayan.behar@abbott.com

STATE	Program Manager	Kim Koppsch-woods	MDHHS
		517-241-3314	
		Koppsch-WoodsK@michigan.gov	
	Contract Administrator	Jarrod Barron	DTMB
		(517) 284-7045	
		barronj1@michigan.gov	

CONTRACT SUMMARY				
MAINTENANCE, SUPPORT, AND ENHANCEMENTS FOR LABORATORY INFORMATION MANAGEMENT SYSTEM (LIMS) SOFTWARE				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
October 1, 2010	September 30, 2015	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 type="checkbox"/> Yes <input checked="" 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		
\$929,110.00	\$0.00	\$929,110.00		
DESCRIPTION				
Effective 3/12/2018, the parties add the attached Statement of Work for support to upgrade the Orion Rhapsody software used by the STARLIMS application. The \$1400.40 cost will be paid utilizing existing contract reserve funds. All other terms, conditions, specifications, and pricing remain the same.				



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

Project Title: Rhapsody Upgrade Production	Period of Coverage: 01/15/2018 – 03/15/2018
Requesting Department: Michigan Department of Health and Human Services Bureau of Laboratories	Date: 12/28/2017
Agency Project Manager: Julie Kusey	Phone: 517-335-9604
DTMB Project Manager: Roger Parsons	Phone: 517-335-3288

This Statement of Work (SOW) is made part of Contract Change Notice 4 to Contract 071B13000065 (Contract) between the State of Michigan (State) and Abbott Informatics, Inc. (Abbott). The Michigan Department of Health and Human Services (MDHHS) Bureau of Laboratories (BOL) requests a purchase order release for \$1,400.40 from the reserved bank of hours for support to upgrade the Orion Rhapsody software used by the STARLIMS application.

I. BACKGROUND:

1.1 The Laboratory Information Management System (LIMS) is essential to the required functions of laboratory test processing; test scheduling; specimen and sample tracking/chain of custody inventory control; general laboratory reporting; notifiable disease reporting; statistical analysis and surveillance; billing and laboratory services; contract and grant management; training, and resource management; lab certifications/licensing; customer concerns/suggestions; quality control and quality assurance management; and laboratory mutual assistance/disaster recovery. This is a proprietary product for which the State has purchased an enterprise license from the vendor, Abbott Informatics (formally Starlims Corporation), without limitation on the number, size or type of servers, workstations, barcodes, users or instruments interfaced. The Rhapsody integration engine software provides an interfacing solution for the exchange of health information via Health Level 7 (HL7) messaging.

1.2 The LIMS software complies with the required Centers for Disease Control (CDC), Public Health Information Network (PHIN), Association of Public Health Laboratories (APHL), National Electronic Disease Surveillance System (NEDSS), Clinical Laboratory Improvement Amendments (CLIA), Environmental Protection Agency (EPA), and Clinical and Laboratories Standards Institute (CLSI) guidelines, requirements and regulations. These guidelines, requirements and regulations have been federally mandated to ensure that public health laboratories can respond and can exchange health information with other public health partners at the local, state and federal level to protect citizens during a public health crisis brought about by outbreaks and/or bioterrorism. The LIMS provides real time reporting of laboratory reports to healthcare providers, as well as local, state and federal health officials in order to prevent illness, disease and deaths.

II. PROJECT OBJECTIVE:

2.1 To release a purchase order to upgrade the Orion Rhapsody software from v.5.5.4 to v.6.2.3.

III. SCOPE OF WORK:

3.1 Contractor will upgrade the Rhapsody software from v.5.5.4 to version v.6.2.3. on the Test and Production servers.

3.2 With this installation, the State owns two copies, one test and one production, of the Rhapsody runtime license at no additional cost to the State.

IV. TASKS/DELIVERABLES:

4.1 Contractor will upgrade the Production and Test Environments from v.5.5.4 to v.6.2.3.

4.2 Contractor will begin providing support services immediately upon the execution of this SOW.

V. ACCEPTANCE CRITERIA:

5.1 All work will not be considered complete until both, Department of Technology, Management and Budget (DTMB) and MDHHS Agency Program Managers have formally accepted them in writing.

VI. PROJECT CONTROL AND REPORTS:

6.1 Specifications and configuration documents will be provided by the vendor and approved by DTMB and MDHHS. Vendor will be provided a timeline for the enhancement to be approved by DTMB and MDHHS. Final configuration documents and related support documents will be provided prior to the enhancement completion

VII. SPECIFIC DEPARTMENT STANDARDS:

7.1 Agency standards, if any, in addition to DTMB standards.

VIII. PAYMENT SCHEDULE:

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

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

IX. EXPENSES:

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

X. PROJECT CONTACTS:

10.1 The designated Agency Program Manager is:

Julie Kusey, Laboratory System Section Manager
Michigan Department of Health and Human Services
Bureau of Laboratories
3350 North Martin Luther King Jr. Blvd.
Lansing, Michigan 48906
Phone: 517-335-9604
KuseyJ@michigan.gov

10.2 The designated DTMB Program Manager is:

Roger Parsons, Acting Section Manager
Michigan Department of Technology, Management and Budget, Agency Services
Chandler Building, 1st Floor

300 East Michigan Avenue
 Lansing, MI 48933
 Office: 517-335-3288
 Parsons1@michigan.gov

XI. LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

11.1 Resource(s) will work entirely offsite unless otherwise specified by the DTMB Program Manager. The State is under no obligation to provide the Vendor with workstations or physical workspace for this SOW.

XII. EXPECTED VENDOR WORK HOURS AND CONDITIONS:

12.1 Normal work hours are eight (8) hours a day, forty (40) hours a week. Additional hours may be necessary based on business needs. These hours may vary and will be paid at the same base hourly rate.

12.2 The State will not pay overtime.

XIII. WEB OR HYPERLINKS:

13.1 In the event Vendor is unable to access or view any of the web links (also known as hyperlinks) contained within this Contract, Vendor must promptly notify the DTMB Program Manager. An inaccessible or non-working web link will not excuse the Vendor of its duties and obligations under this Contract. Vendor is responsible for ensuring its personnel and/or subcontractors have reviewed all State and DTMB policies under this Contract.

Professional Services

Part #	Description	Location	Qty	Unit Price	TOTAL
PS-COF	STARLIMS Per-Diem Off Site Consulting Services Rhapsody Production Environment Upgrade v.5.5.4 to v.6.2.3 - Estimated Time: 1 - 2 hours Rhapsody Test Environment Upgrade v.5.5.4 to v.6.2.3 - Estimated Time: 1 - 2 hours	Off Site	1	USD \$ 1,400.40	USD \$ 1,400.40
				Disc. Discount 10.0%	USD \$ 155.60
				Total Costs	USD \$ 1,400.40

Quote Summary

Description	TOTAL
Total Professional Services Costs	USD \$ 1,400.40
Total Project Costs	USD \$ 1,400.40



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 **3**

to

Contract Number **071B1300065**

CONTRACTOR	L I M S -USA- INC
	4000 Hollywood Boulevard, Suite 515 South
	Hollywood, FL 33021-755
	Maayan Behar
	(954) 964-8663
	maayan.behar@abbott.com
	*****4123

STATE	Program Manager	Kim Koppsch-woods	DTMB
		517-241-3314	
	Contract Administrator	Koppsch-WoodsK@michigan.gov	
		Simon Baldwin	DTMB
		(517) 284-6997	
		baldwins@michigan.gov	

CONTRACT SUMMARY

MAINTENANCE, SUPPORT, AND ENHANCEMENTS FOR LABORATORY INFORMATION MANAGEMENT SYSTEM (LIMS) SOFTWARE

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2010	September 30, 2015	5 - 1 Year	September 30, 2017

PAYMENT TERMS	DELIVERY TIMEFRAME

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other	<input type="checkbox"/> Yes <input checked="" 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"/>		<input type="checkbox"/>		December 31, 2018
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$929,110.00	\$0.00	\$929,110.00		

DESCRIPTION

Effective 10/1/2017, the State is exercising one year and 3 months of the available option years for this Contract and requests a PO in the amount of \$81,163.00 from the reserve bank of hours for enhancements. The new term will align with maintenance term of January 1st through December 31st. The revised Contract expiration date is 12/31/2018. 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**

Project Title: LIMS Services Option Year 3	Period of Coverage: 10/01/2017 - 12/31/2018
Requesting Department: Michigan Department of Community Health (MDCH)	Date: 09/22/2017
DTMB Project Manager: Linda Meyer	Phone: (517) 241-7650
Agency Project Manager: Julie Kusey	Phone: (517) 335-9604

This Statement of Work (SOW) is made a part of a Change Notice No. to Contract 071B1300065 (Contract) between the State of Michigan (State or SOM) and Abbott Informatics, Inc. (Abbott or Contractor) effective as of the date set forth on the signature page of this Agreement. **NOW THEREFORE**, the Parties agree as follows:

I. BRIEF DESCRIPTION

1.1 This Contract Change Notice (CCN) for Contract 071B1300065 is to exercise 1 year and 3 months of the available option years for this Contract, per section 2.002 Options to Renew, for ongoing maintenance, support and future enhancements of the Michigan Department of Health and Human Services (MDHHS) Laboratory Information Management System (LIMS). For the time frame of 10/01/2017 - 12/31/2018.

II. BACKGROUND

2.1 The Laboratory Information Management System (LIMS) is essential to the required functions of laboratory test processing. This includes, but is not limited to test scheduling; specimen and sample tracking/chain of custody inventory control; general laboratory reporting; notifiable disease reporting; statistical analysis and surveillance; billing and laboratory services; contract and grant management; training, and resource management; lab certifications/licensing; customer concerns/suggestions; quality control and quality assurance management; and laboratory mutual assistance/disaster recovery. This is a proprietary product for which the State has purchased an enterprise license from the vendor, Abbott Informatics (formally Starlims Corporation), without limitation on the number, size or type of servers, workstations, barcodes, users or instruments interfaced.

2.2 The LIMS software complies with the required Centers for Disease Control (CDC), Public Health Information Network (PHIN), Association of Public Health Laboratories (APHL), National Electronic Disease Surveillance System (NEDSS), Clinical Laboratory Improvement Amendments (CLIA), Environmental Protection Agency (EPA), and Clinical and Laboratories Standards Institute (CLSI) guidelines, requirements and regulations. These guidelines, requirements and regulations have been federally mandated to ensure that public health laboratories can respond and can exchange health information with other public health partners at the local, state and federal level to protect citizens during a public health crisis brought about by outbreaks and/or bio-terrorism. The LIMS provides real time reporting of laboratory reports to healthcare providers, as well as local, state and federal health officials in order to prevent illness, disease and deaths.

III. PROJECT OBJECTIVE

3.1 Contractor will be providing continued support, maintenance and future enhancements of the MDHHS Public Health's LIMS for the time period of 10/01/2017 – 12/31/2018.

IV. SCOPE OF WORK

4.1 Per the base contract, SOM Number 071B1300065, Contractor will provide the following services for the complete and successful support and maintenance of the proprietary LIMS system providing the functionality required for the

State's business operations. A more complete description of the supplies and/or services sought for this project is provided in Section 1.104, Work and Deliverables. This project consists, but is not limited to the following components:

- a) Maintenance - Maintenance is defined as repair or replacement services provided to identify and repair software malfunctions in order to return the system to its original operating condition. Maintenance also includes an agreement to provide an annual renewable software subscription to include future upgrades (both major and minor revisions of the application) and ongoing vendor product support.
- b) Support – Help Desk and Technical.
- c) Enhancements – These projects will be determined at time of need and a separate statement of work will be developed.

V. TASKS

5.1 Technical support is required by Contractor to implement this change.

VI. DELIVERABLES

6.1 Deliverables will not be considered complete until the DTMB and Agency Project Manager have formally accepted in writing. Deliverables for this project include, but are not limited to:

- a) Ongoing LIMS support and maintenance.
- b) Enhancements upon request.

VII. ACCEPTANCE CRITERIA

7.1 Work will not be considered complete until both, DTMB and MDHHS Agency Program Managers have formally accepted in writing.

VIII. PROJECT CONTROL AND REPORTS

8.1 Specifications and configuration documents will be provided by the vendor and approved by DTMB and MDHHS. Vendor will be provided a timeline for the enhancement(s) to be approved by DTMB and MDHHS. Final configuration documents and related support documents will be provided prior to the enhancement completion.

IX. SPECIFIC DEPARTMENT STANDARDS

- 9.1 Must follow Health Insurance Portability and Accountability Act (HIPAA) guidelines and regulations.
- 9.2 Comply with State wide and Department Standards as outlined in base contract number 071B1300065.

X. PAYMENT SCHEDULE

10.1 Payment will be made on a satisfactory acceptance of deliverable basis and all invoices must include the purchase order. DTMB will pay Contractor upon receipt of properly completed invoices which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Contracts area will coordinate obtaining Agency Program Manager and DTMB Program Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency Project Manager 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.

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

XI. EXPENSES

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

XII. PROJECT CONTACTS

12.1 The designated Agency Program Manager is:

Julie Kusey, Department of Community Health
Bureau of Laboratory
3350 N. Martin Luther King Jr. Blvd.
Lansing, MI 48906
(517)335-9604
(517)335-9631
KuseyJ@michigan.gov

- 12.2 The designated DTMB Program Manager is:
Linda Meyer, DTMB/Customer Service for DCH
Application Development
Chandler Plaza/ 1st Floor
300 East Michigan Ave.
Lansing, MI 48933
517-335-3288
(517) 282-4609
MeyerL2@michigan.gov

XIII. AGENCY RESPONSIBILITIES

- 13.1 As described in contract 071B1300065.

XIV. GENERAL PROVISIONS

- 14.1 **Location:** All work will be completed offsite at vendors' location.

14.2 **Web or Hyperlinks.** In the event Contractor is unable to access or view any of the web links (also known as hyperlinks) contained within this Contract, Contractor must promptly notify the DTMB Program Manager. An inaccessible or non-working web link will not excuse the Contractor of its duties and obligations under this Contract. Contractor is responsible for ensuring its personnel and/or subcontractors have reviewed all State and DTMB policies under this Contract.

14.3 **Entire Agreement.** This SOW, together with the existing Contract, constitutes the Parties' complete and exclusive statement regarding work requirements and procedures. Apart from the amendments made in this SOW, all Contract terms and conditions must remain in full force and effect.

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



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

CONTRACT CHANGE NOTICE

Change Notice Number **2**

to

Contract Number **071B1300065**

CONTRACTOR	Abbott Informatics Corporation
	4000 Hollywood Boulevard, Suite 515 South
	Hollywood, FL 33021-755
	Richard Lane
	(954) 964-8663
	richard.lane@starlims.com
	*****4123

STATE	Program Manager	Kim Koppsch-Woods	DTMB
		(517) 241-3314	
		Koppsch-WoodsK@michigan.gov	
	Contract Administrator	Simon Baldwin	DTMB
		(517) 284-6997	
		baldwins@michigan.gov	

CONTRACT SUMMARY				
STARLIMS LIM SOFTWARE SUPPORT				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
October 1, 2010	September 30, 2015	5 - 1 Year	September 30, 2016	
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 type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1-Year	<input type="checkbox"/>		September 30, 2017
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$848,750.00	\$80,360.00	\$929,110.00		
DESCRIPTION				
Effective 10/01/2016, the State is exercising the second option year and is increased by \$80,360.00. The revised expiration date is 9/30/2017. Please note the Contract Administrator has been changed to Simon Baldwin and the Program Manager has been changed to Kim Koppsch-Woods. All other terms, conditions, specifications, and pricing remain the same. Per Contractor and Agency agreement and DTMB Procurement approval.				

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

CONTRACT NOTICE NO. 1 - REVISED

To
CONTRACT NO. 071B1300065

between
THE STATE OF MICHIGAN
 and

PREVIOUS NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Starlims Corporation 4000 Hollywood Blvd Suite 333S Hollywood, FL 33021	Jordan Davis	jordan.davis@ai.abbott.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(954) 964-8663	4123

NEW NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Abbott Informatics Corporation 4000 Hollywood Blvd Suite 333S Hollywood, FL 33021	Jordan Davis	jordan.davis@ai.abbott.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(954) 964-8663	4123

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DHHS	Russ Tiedt	(517) 335-3288	tiedtr@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	David Hatch	(517) 284-7044	hatchd@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: Laboratory Information Management System Maintenance

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	CURRENT EXPIRATION DATE
October 1, 2010	September 30, 2015	(5) 1-Year Options	September 30, 2015

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 type="checkbox"/> Yes <input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	1 year	September 30, 2016

VALUE/COST OF CHANGE NOTICE:	ESTIMATED AGGREGATE CONTRACT VALUE REMAINS:
\$0.00	\$848,750.00

DESCRIPTION: Effective October 1, 2015, this Contract is exercising the first option year and is utilizing \$80,000.00 of existing Contract funds. The revised Contract expiration date is September 30, 2016. Please note the Contract Administrator has been changed to David Hatch. Effective October 1, 2015 the Fixed Firm Maintenance and Support cost will increase to \$80,000.00 per year. All other terms, conditions, specifications, and pricing remain the same, per Contractor and Agency agreement and DTMB Procurement approval.

Revision: Please note the pricing described above for Maintenance and Support covers the period of 01/01/2016 – 12/31/2016, extending beyond the Contract expiration date.

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

CONTRACT NOTICE NO. 1

To

CONTRACT NO. 071B1300065

between

THE STATE OF MICHIGAN

and

PREVIOUS NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Starlims Corporation	Jordan Davis	jordan.davis@ai.abbott.com
4000 Hollywood Blvd Suite 333S	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
Hollywood, FL 33021	(954) 964-8663	4123

NEW NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Abbott Informatics Corporation	Jordan Davis	jordan.davis@ai.abbott.com
4000 Hollywood Blvd Suite 333S	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
Hollywood, FL 33021	(954) 964-8663	4123

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DHHS	Russ Tiedt	(517) 335-3288	tiedtr@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	David Hatch	(517) 284-7044	hatchd@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: Laboratory Information Management System Maintenance

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	CURRENT EXPIRATION DATE
October 1, 2010	September 30, 2015	(5) 1-Year Options	September 30, 2015

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 type="checkbox"/> Yes <input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	1 year	September 30, 2016

VALUE/COST OF CHANGE NOTICE:	ESTIMATED AGGREGATE CONTRACT VALUE REMAINS:
\$0.00	\$848,750.00

DESCRIPTION: Effective October 1, 2015, this Contract is exercising the first option year and is utilizing \$80,000.00 of existing Contract funds. The revised Contract expiration date is September 30, 2016. Please note the Contract Administrator has been changed to David Hatch. Effective October 1, 2015 the Fixed Firm Maintenance and Support cost will increase to \$80,000.00 per year. All other terms, conditions, specifications, and pricing remain the same, per Contractor and Agency agreement and DTMB Procurement approval.

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

October 8, 2010

NOTICE
OF
CONTRACT NO. 071B1300065
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (954) 964-8663 Richard Lane
Starlims Corporation 4000 Hollywood Boulevard, Suite 515 South Hollywood, Florida 33021- 6755 Email: richard.lane@starlims.com		CONTRACTOR NUMBER/MAIL CODE
		BUYER/CA (517) 373-3993 Dale N. Reif
Contract Compliance Inspector: Sara Williams Laboratory Information Management System Maintenance		
CONTRACT PERIOD: 5 yrs. + 5 one-year options From: October 1, 2010 To: September 30, 2015		
TERMS N/A	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		
MISCELLANEOUS INFORMATION:		

TOTAL ESTIMATED CONTRACT VALUE: \$848,750.00

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

CONTRACT NO. 071B1300065
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (954) 964-8663 Richard Lane
Starlims Corporation 4000 Hollywood Boulevard, Suite 515 South Hollywood, Florida 33021- 6755 Email: richard.lane@starlims.com		CONTRACTOR NUMBER/MAIL CODE
Contract Compliance Inspector: Sara Williams Laboratory Information Management System Maintenance		BUYER/CA (517) 373-3993 Dale N. Reif
CONTRACT PERIOD: 5 yrs. + 5 one-year options From: October 1, 2010 To: September 30, 2015		
TERMS N/A	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of RFP-DR-084R0200071, this Contract and the Contractor's quote. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.		
Estimated Contract Value: \$848,750.00		

THIS IS NOT AN ORDER: Orders for delivery will be issued directly by the Department of Community Health through the issuance of a Purchase Order.

All terms and conditions of the invitation to bid are made a part hereof.

FOR THE CONTRACTOR:

Starlims Corporation
Firm Name
Authorized Agent Signature
Authorized Agent (Print or Type)
Date

FOR THE STATE:

Signature
Greg Faremouth, Director
Name/Title
IT Division
Division
Date



STATE OF MICHIGAN
Department of Technology, Management and Budget
Purchasing Operations

Buyer Information

Dale N. Reif
(517) 373-3993
reifd@michigan.gov

Contract Number: 071B1300065
Michigan Department of Community Health
STARLMS
Laboratory Information Management System Version 10
Maintenance, Support and Enhancements



Table of Contents

Article 1 – Statement of Work (SOW)	10
1.000 Project Identification	10
1.001 Project Request	10
1.002 Background	10
1.100 Scope of Work and Deliverables	10
1.101 In Scope	10
1.102 Out Of Scope	10
1.103 Environment	11
1.200 Roles and Responsibilities	15
1.201 Contractor Staff, Roles, And Responsibilities	15
1.202 State Staff, Roles, And Responsibilities	15
1.300 Project Plan	16
1.301 Project Plan Management	16
1.302 Reports	16
1.400 Project Management	17
1.401 Issue Management	17
1.402 Risk Management	17
1.403 Change Management	18
1.500 Acceptance	19
1.501 Criteria	19
1.502 Final Acceptance	19
1.600 Compensation and Payment	19
1.601 Compensation And Payment	19
1.602 Holdback – Deleted NA	20
2.000 Contract Structure and Term	21
2.001 Contract Term	21
2.002 Options to Renew	21
2.003 Legal Effect	21
2.004 Attachments & Exhibits	21
2.005 Ordering	21
2.006 Order of Precedence	21
2.007 Headings	22
2.008 Form, Function & Utility	22
2.009 Reformation and Severability	22
2.010 Consents and Approvals	22
2.011 No Waiver of Default	22
2.012 Survival	22
2.020 Contract Administration	22
2.021 Issuing Office	22
2.022 Contract Compliance Inspector	22
2.023 Project Manager	23
2.024 Change Requests	23
2.025 Notices	24
2.026 Binding Commitments	24
2.027 Relationship of the Parties	25
2.028 Covenant of Good Faith	25
2.029 Assignments	25
2.030 General Provisions	25
2.031 Media Releases	25
2.032 Contract Distribution	25
2.033 Permits	25
2.034 Website Incorporation	26
2.035 Future Bidding Preclusion	26
2.036 Freedom of Information	26



2.037	Disaster Recovery	26
2.040	Financial Provisions	26
2.041	Fixed Prices for Services/Deliverables	26
2.042	Adjustments for Reductions in Scope of Services/Deliverables	26
2.043	Services/Deliverables Covered	26
2.044	Invoicing and Payment – In General	26
2.045	Pro-ration	27
2.046	Antitrust Assignment	27
2.047	Final Payment	27
2.048	Electronic Payment Requirement	27
2.050	Taxes	27
2.051	Employment Taxes	27
2.052	Sales and Use Taxes	27
2.060	Contract Management	28
2.061	Contractor Personnel Qualifications	28
2.062	Contractor Key Personnel - Deleted N/A	28
2.063	Re-assignment of Personnel at the State's Request - Deleted N/A	28
2.064	Contractor Personnel Location	28
2.065	Contractor Identification	28
2.066	Cooperation with Third Parties	28
2.067	Contract Management Responsibilities	28
2.068	Contractor Return of State Equipment/Resources	29
2.070	Subcontracting by Contractor	29
2.071	Contractor full Responsibility	29
2.072	State Consent to delegation	29
2.073	Subcontractor bound to Contract	29
2.074	Flow Down	29
2.075	Competitive Selection	30
2.080	State Responsibilities	30
2.081	Equipment	30
2.082	Facilities	30
2.090	Security	30
2.091	Background Checks	30
2.092	Security Breach Notification	30
2.093	PCI DATA Security Requirements - Deleted N/A	30
2.100	Confidentiality	31
2.101	Confidentiality	31
2.102	Protection and Destruction of Confidential Information	31
2.103	Exclusions	31
2.104	No Implied Rights	31
2.105	Respective Obligations	32
2.110	Records and Inspections	32
2.111	Inspection of Work Performed	32
2.112	Examination of Records	32
2.113	Retention of Records	32
2.114	Audit Resolution	32
2.115	Errors	32
2.120	Warranties	33
2.121	Warranties and Representations	33
2.122	Warranty of Merchantability - Deleted N/A	34
2.123	Warranty of Fitness for a Particular Purpose - Deleted N/A	34
2.124	Warranty of Title - Deleted N/A	34
2.125	Equipment Warranty - Deleted N/A	34
2.126	Equipment to be New - Deleted N/A	34
2.127	Prohibited Products - Deleted N/A	34
2.128	Consequences for Breach	34
2.130	Insurance	34
2.131	Liability Insurance	34
2.132	Subcontractor Insurance Coverage	35
2.133	Certificates of Insurance and Other Requirements	35



2.140	Indemnification	36
2.141	General Indemnification	36
2.142	Code Indemnification	36
2.143	Employee Indemnification	36
2.144	Patent/Copyright Infringement Indemnification	36
2.145	Continuation of Indemnification Obligations	37
2.146	Indemnification Procedures	37
2.150	Termination/Cancellation	38
2.151	Notice and Right to Cure	38
2.152	Termination for Cause	38
2.153	Termination for Convenience	38
2.154	Termination for Non-Appropriation	39
2.155	Termination for Criminal Conviction	39
2.156	Termination for Approvals Rescinded	39
2.157	Rights and Obligations upon Termination	39
2.158	Reservation of Rights	40
2.160	Termination by Contractor	40
2.161	Termination by Contractor	40
2.170	Transition Responsibilities	40
2.171	Contractor Transition Responsibilities	40
2.172	Contractor Personnel Transition	40
2.173	Contractor Information Transition	40
2.174	Contractor Software Transition	41
2.175	Transition Payments	41
2.176	State Transition Responsibilities	41
2.180	Stop Work	41
2.181	Stop Work Orders	41
2.182	Cancellation or Expiration of Stop Work Order	41
2.183	Allowance of Contractor Costs	41
2.190	Dispute Resolution	42
2.191	In General	42
2.192	Informal Dispute Resolution	42
2.193	Injunctive Relief	42
2.194	Continued Performance	42
2.200	Federal and State Contract Requirements	43
2.201	Nondiscrimination	43
2.202	Unfair Labor Practices	43
2.203	Workplace Safety and Discriminatory Harassment	43
2.204	Prevailing Wage	43
2.210	Governing Law	44
2.211	Governing Law	44
2.212	Compliance with Laws	44
2.213	Jurisdiction	44
2.220	Limitation of Liability	44
2.221	Limitation of Liability	44
2.230	Disclosure Responsibilities	44
2.231	Disclosure of Litigation	44
2.232	Call Center Disclosure	45
2.233	Bankruptcy	45
2.240	Performance	45
2.241	Time of Performance	45
2.242	Service Level Agreement (SLA)	46
2.243	Liquidated Damages	46
2.244	Excusable Failure	46
2.250	Approval of Deliverables	47
2.251	Delivery of Deliverables	47
2.252	Contractor System Testing	47
2.253	Approval of Deliverables, In General	48
2.254	Process for Approval of Written Deliverables	49



2.255	Process for Approval of Custom Software Deliverables	49
2.256	Final Acceptance	50
2.260	Ownership	50
2.261	Ownership of Work Product by State	50
2.262	Vesting of Rights – Deleted NA	50
2.263	Rights in Data	50
2.264	Ownership of Materials	51
2.270	State Standards	51
2.271	Existing Technology Standards	51
2.272	Acceptable Use Policy	51
2.273	Systems Changes	51
2.280	Extended Purchasing - Deleted N/A	51
2.290	Environmental Provision - Deleted N/A	51
2.300	Deliverables - Deleted N/A	51
2.310	Software Warranties	51
2.311	Performance Warranty	51
2.312	No Surreptitious Code Warranty	51
2.313	Calendar Warranty	52
2.314	Third-party Software Warranty	52
2.315	Physical Media Warranty	52
2.320	Software Licensing - Deleted N/A	52
2.330	Source Code Escrow - Deleted N/A	52
2.400	Other Provisions - Deleted N/A	52
DEFINITIONS		53
Attachment 1 - COST TABLE		55
ADDENDUM A PARTICIPATING USER AGREEMENT		17



Article 1 – Statement of Work (SOW)

1.000 Project Identification

1.001 Project Request

This Contract is to provide ongoing maintenance, support and enhancements for the proprietary commercial-off-the-shelf (COTS) Laboratory Information Management System Version 10 (LIMS) software. The State of Michigan does not have access to maintain the source code. The Contract will be for a term of five (5) years with five one-year options to renew.

1.002 Background

The LIMS is essential to the required functions of laboratory test processing; test scheduling; specimen and sample tracking/chain of custody; media, reagent, stains, control manufacturing; inventory control; general laboratory reporting; notifiable disease reporting; statistical analysis and surveillance; billing and laboratory services; contract and grant management; training, education and resource management; lab certifications/licensing; customer concerns/suggestions; quality control and quality assurance management; and laboratory mutual assistance/disaster recovery. This is a proprietary product for which the State has purchased an enterprise license from the vendor, LIMS Corporation, without limitation on the number, size or type of servers, workstations, barcodes, users or instruments interfaced.

The LIMS software complies with the required Centers for Disease Control (CDC), Public Health Information Network (PHIN), Association of Public Health Laboratories (APHL), National Electronic Disease Surveillance System (NEDSS), Clinical Laboratory Improvement Amendments (CLIA), Environmental Protection Agency (EPA), and Clinical and Laboratories Standards Institute (CLSI) guidelines, requirements and regulations. These guidelines, requirements and regulations have been federally mandated to insure that public health laboratories can respond and can exchange health information with other public health partners at the local, state and federal level to protect citizens during a public health crisis brought about by outbreaks and/or bio-terrorism. The LIMS provides real time reporting of laboratory reports to hospitals, as well as local, state and federal health officials in order to prevent illness, disease and deaths.

1.100 Scope of Work and Deliverables

1.101 In Scope

Contractor will provide the following services for the complete and successful support and maintenance of the proprietary LIMS system providing the functionality required for the State's business operations. A more complete description of the supplies and/or services sought for this project is provided in Section 1.104, Work and Deliverables. This project consists of the following components:

- **Maintenance** - Maintenance is defined as repair or replacement services provided to identify and repair software malfunctions in order to return the system to its original operating condition. Maintenance also includes an agreement to provide an annual renewable software subscription to include future upgrades (both major and minor revisions of the application) and ongoing vendor product support.
- **Support** – Help Desk and Technical
- **Enhancements** – These projects will be determined at time of need and a separate work statement will be developed.

1.102 Out Of Scope

The following are out of the scope for this Request for Proposals:

- Business process re-engineering services
- Licenses for any product other than those required for the existing LIMS
- Maintenance or enhancements other than what is required for the LIMS



1.103 Environment

Contractor is required to review all applicable links provided below and state compliance in their response. The links provide information on the State's Enterprise IT policies, standards and procedures which includes security policy and procedures, IT strategic plan, eMichigan web development and the State Unified Information Technology Environment (SUITE).

Contractors are advised that the State has methods, policies, standards and procedures that have been developed over the years. Contractors are expected to provide proposals that conform to State IT policies and standards. All services and products provided as a result of this RFP must comply with all applicable State IT policies and standards. The Contractor awarded the contract must request any exception to State IT policies and standards in accordance with DTMB processes. The State may deny the exception request or seek a policy or standards exception.

Enterprise IT Policies, Standards and Procedures:

<http://www.michigan.gov/dit/0,1607,7-139-34305---,00.html>

All software and hardware items provided by the Contractor must run on and be compatible with the DTMB Standard Information Technology Environment. During the duration of this contract, upgrades will need to be compatible with the State IE version, MS Office products, Adobe, or other DTMB standards for software. 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 Contractor must request, in writing, approval to use non-standard software development tools, providing justification for the requested change and all costs associated with any change. The State's Project Manager and DTMB must approve any tools, in writing, before use on any information technology project.

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

Enterprise IT Security Policy and Procedures:

<http://www.michigan.gov/dit/0,1607,7-139-34305-108216--,00.html>

The State's security environment includes:

- DTMB Single Login.
- DTMB provided SQL security database.
- Secured Socket Layers.
- SecureID (State Security Standard for external network access and high risk Web systems)

IT Strategic Plan:

<http://www.michigan.gov/dit/0,1607,7-139-30637-135173--,00.html>

IT eMichigan Web Development Standard Tools:

http://www.michigan.gov/documents/Look_and_Feel_Standards_2006_v3_166408_7.pdf

The State Unified Information Technology Environment (SUITE):

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

Agency Specific Technical Environment for LIMS includes:

- Database: MS SQL Server 2005
- Development Language: Java Script, LIMS proprietary scripting language
- Development Framework: .NET Framework 1.x & 2.x, .NET



- Web Server: Microsoft IIS 6.0/2003
- Application Server: MS SQL Server 2005
- Operating System:
 - Production: Microsoft Windows 2003
 - Test/QA: Windows Enterprise 2008
- Reporting Tools: Crystal Reports 11
- Other LIMS proprietary tools

1.104 Work And Deliverable

Section overview – Software maintenance and support will include but is not limited to:

- A. Software Maintenance and Support
 1. System Maintenance – develop and provide corrections, changes or workarounds for any defects, errors or malfunction in the software.
 2. Help Desk
 3. Adaptive and Preventive Maintenance
 4. Performance Maintenance
 5. Documentation Update
- B. Future Enhancements
 1. Application Adjustments and New Development
 2. Interoperability Development with Other Applications
 3. System Interface Adjustments and New Interfaces

A. Software Maintenance and Support

Contractor shall supply annual software maintenance and support services that provide system management. Contractor must understand and have a working knowledge of all functionality provided by the LIMS software program. Contractor must be able to explain how each aspect of the software works and be able to document needed corrections for submission to LIMS for resolution. See **Attachment 2** for Starlims Software License, Support and Services Agreement.

System Maintenance Activities – System Maintenance refers to regular and routine work performed by the Contractor on the LIMS System such as any work required correcting defects. To maintain system operations as required to meet the following contract requirements:

- a. Contractor must provide routine file maintenance to update any information required for operation of the system such as data changes, constructing new edits, investigating batch job failures, investigating and correcting application defaults, repairing jobs run incorrectly, repairing problems due to system software failures, repairing problems due to operator or schedule error, rectifying problems due to web page, program, object, class, scripts, control language, or database errors, repairing security problems, repairing and restoring corrupted files, table structures, and databases, rectifying incorrect documentation, and repairing problems due to jobs run with incorrect data.
- b. All system maintenance will be performed in a development environment prior to production implementation. Contractor will successfully test maintenance activities in a test or pre-live environment prior to final Agency/DTMB testing. Only after successful State testing in the test environment area will the correction be implemented in the production environment.
- c. Contractor will provide instructions to DTMB Staff for moving changes/corrections to the production environment.
- d. The Contractor will perform system maintenance with approval from the State, and, as defined in the Scope of Work, for the component parts of the system after its implementation.
- e. The maintenance period is for the period of this LIMS System Contract.
- f. All maintenance will be performed by qualified personnel who are familiar with the system.
- g. The Contractor will provide backup maintenance resources.
 - The Contractor will provide for escalation of maintenance issues to ensure issues are resolved
- h. The Contractor will provide remote diagnostic capabilities through WebEx.



- i. The Contractor will provide a Support Help Desk to report system malfunction whether malfunction is due to software or is of unknown origin. The Contractor will then be responsible for providing the appropriate remedy
- j. The Contractor will make maintenance of the system available from the Contractor on an annually renewable Contract basis.
- k. Contractor will work with State Staff and State Vendors to implement new releases and other changes to the LIMS.
- l. Contractor will provide detailed documentation describing application installation.
- m. Contractor will provide the following services for the system:
 - i. Error Correction. Upon notice by State of a problem with the system (that can be verified), the Contractor shall use reasonable efforts to correct or provide a working solution for the problem.
 - ii. The Contractor shall notify the State of any material errors or defects in the deliverables known, or made known to the Contractor from any source during the Contract term that could cause the production of inaccurate or otherwise materially incorrect, results.
 - iii. The Contractor shall initiate actions, as may be commercially necessary or proper to effect corrections of any such errors or defects.

2. Help Desk Support

Contractor must provide support access as follows:

- User Support – experienced technical support, 24x7x365, with guaranteed response times as set forth below:
 - Severe – within 4 hours
 - High – within 6 hours
 - Medium – next business day
 - Low – 2 to 3 business days.
- Internet and FTP Technical Support for technical services, documentation, system upgrades and new releases.

3. Adaptive and Preventive Maintenance Activities

- a. Adaptive and preventive maintenance addresses upgrades to the system due to technical changes to system components to keep the system maintainable, Contractor must provide the following services:
 - i. Starlims upgrades required due to upgrades or patches of the application server, Windows components, operating system, or other system and application software. During the duration of this contract, upgrades will also need to be compatible with the State IE version, MS Office products, Adobe, or other DTMB standards for software.
 - ii. Software modifications and upgrades necessary because of expiring vendor support.
 - iii. Hardware, database, or application conversions that do not modify user functionality.
 - iv. One-time loads or reformats of user data which would be handled under a separate Statement of Work under Section 1.104.B.as Additional Services
 - v. Report distribution changes.
 - vi. Disaster recovery plan activities which would be handled under a separate Statement of Work under Section 1.104.B.as Additional Services.
- b. The changes should be transparent to the end user.
- c. Adaptive release changes will be performed as needed.
- d. For major upgrades requiring a more significant amount of time to develop, test, and implement, the changes should be completed as part of a development release or a quarterly release.
- e. Application Repair –Contractor must offer patches or fixes to acknowledged issues of the LIMS software within an acceptable timeframe.

4. Performance Maintenance Activities

Contractor must **assist** State staff in conducting maintenance activities to improve application performance as follows:

- a. Performance maintenance includes the following services:



- i. Improve the performance, maintainability, or other attributes of an application system.
 - ii. Data table restructuring.
 - iii. Data purges and or archiving to reduce/improve data storage.
 - iv. Run time improvements.
 - v. Replace utilities to reduce run time.
 - vi. Potential problem correction.
 - vii. Data set expansions to avoid space problems.
 - viii. Provide assistance for configuring LIMS to run in a load-balanced configuration.
 - b. Performance maintenance changes will be performed in as needed
 - c. Activities that typically can be completed independent of a production release (e.g., data set expansions, data purges) may be completed on a more frequent basis (e.g., daily or weekly).
 - d. Starlims will provide one on-site visit annually to provide a maintenance and performance review of the StarLIMS installation as identified in items 4.a thru 4.c above. Annual visit will be at a mutually agreeable annual date between StarLIMS and the State. See fixed rate agreed upon in the Cost Table-Attachment 1.
5. **Documentation Update** – Information about any unique aspects of the Michigan implementation must be recorded and available to all support personnel as it relates to any system changes made under Section 1.104 A. and B.

B. Application Development for Future Enhancements

Future enhancements may be required based on federal and state requirements. A separate Statement of Work will be written for any required enhancements. Contractor will provide future development services and/or software enhancement. The contract includes a bank of 466 hours per year to facilitate the provisional requirements. The following is an example of the activities that may fall within the annual bank of hours.

System enhancements/scope modifications include changes to the system that are necessary to meet:

- a. New State policy requirements,
- b. New Federal regulations,
- c. New technology requested by the State, or
- d. Accommodate new or updated interfaces requested by the State.

The Contractor must be able to respond with costs and timelines to all requests to modify the LIMS software to meet future needed functionality.

- A. Application Adjustments & New Development - Contractor must provide the ability to request changes or new development work of the LIMS software.
- B. Interoperability Development with Other Applications - Contractor must provide the ability to request integrations or interoperability with other products or services of the LIMS software.
- C. System Interface Adjustments & New Interfaces – Contractor must provide the ability to request changes or customizations to the application user interface of the LIMS software.

Acceptance Criteria

Software enhancements may include, but not limited to, software product, development tools, support tools, data migration software, integration software and installation software. The following criteria apply to software enhancement deliverables:

- Beta software is not accepted as final deliverable.
- DTMB will review the software enhancements for acceptance of functionality, usability, installation, performance, security, standards compliance, backup/recovery and operation. Approvals will be written and signed by Agency/DTMB Project Manager. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit software for approval.
- Software enhancements are installed and configured in appropriate environment (e.g. development, test, pre-live, live). Contingency plans and de-installation procedures and software are provided by Contractor and approved by the Agency/DTMB Project Managers.



- Contractor will successfully test software enhancements in the development environment before moving the enhancement to the test and pre-live environments for final software testing by DTMB. Approvals will be written and signed by Agency/DTMB Project Managers.
- Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit test software, data and results for approval. Only after successful State testing in the test and pre-live area will the enhancement be implemented in the production environment. This implementation should occur at an agreed upon time during non business hours, such as late evenings or weekends.

1.200 Roles and Responsibilities

1.201 Contractor Staff, Roles, And Responsibilities

A. Contractor Staff

The Contractor will provide sufficient qualified staff to satisfy the deliverables of the Statement of Work. Professional support staff must be trained on the LIMS product and any unique aspects of the Michigan implementation. Support personnel must be English-speaking. Due to sensitivities of the system, it is preferable for all support activities to occur in the continental United States of America.

B. On Site Work Requirements

1. Location of Work:

Contractor should perform and manage all work at the Contractor's work site. If the Contractor has a need to work on State site, the work location will be at the Bureau of Laboratories, 3350 N Martin Luther King, Jr. Blvd., Lansing, Michigan 48909.

2. Hours of Operation:

- Contractor's site – Contractor may set its own hours of operation.
- State site - Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday. Work hours may be adjusted to meet project deadlines. No overtime will be authorized. The State is not obligated to provide State management of assigned work outside of normal State working hours.
- Contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay.

3. Travel:

- No travel or expenses will be reimbursed unless pre-approved and Contractor must comply with the State's standard approved travel rates. This includes travel costs related to training provided to the State by Contractor.
- Travel time will not be reimbursed.

1.202 State Staff, Roles, And Responsibilities

- If applicable, the State will provide the necessary resources for the Contractor's use on this project if working on-site.

State Project Manager(s)

DTMB will provide a Project Manager who will be responsible for the State's infrastructure and coordinate with the Contractor in determining the system configuration.

Name	Agency/Division	Title
Sheryl Conway	DTMB/Agency Services	Project Manager

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

Name	Agency/Division	Title
Sara Williams	DTMB/Agency Services	Contract Administrator



1.300 Project Plan

1.301 Project Plan Management

Section 1.301 may be required for each subsequent Statement of Work that requests enhancement services through this contract. At a minimum, the Project Plan must contain the following items, or reasonable substitutions:

1. A work breakdown structure of the major phases of the project, accounting for all tasks, deliverables and milestones.
2. A timetable for each task, deliverable, and milestone.
3. A summary of total Contractor and state hours by phase. The Work Plan, as described above, must cover the entire project and each phase, and must reflect state staff, tasks, and schedules.
4. Any assumptions or constraints identified by the Contractor. If there are needs for state staff in addition to those referenced in Section 1.202, the bidder should note this need at this point.
5. An explanation of how the schedule provides for the handling of potential and actual problems, this must also include general plans for dealing with the slippage of critical dates.

1.302 Reports

A monthly progress report must be submitted to the Agency Project Managers as requested by the State. Monthly reports will include a narrative to explain problems experienced in the period, recommendations for change to the project plan, and any comments the Contractor may have. The report may be submitted with the billing invoice. Each progress report must also contain the following:

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

Frequent (usually weekly) Project Manager Meetings and status reports will be prepared by the STARLIMS Project Manager. This report will be sent to the customer's Project Manager and reviewed during a regular project progress meeting. This meeting will take place regularly at the discretion of the STARLIMS Project Manager and the customer's Project Manager.

A Single Point of Contact (SPOC) concept between the site lead and the project manager will be implemented. Direction of the site lead and project manager will facilitate point-to-point contact for specialized needs such as automation design.

Communication Tools

The following tools are used to communicate implementation status and progress to the Customer.

- Project Status Report: MS Word
- Project Plan: MS Project
- Issues List: MS Excel
- Project Closure Report: MS Word
- Collaboration using conference calls and/or direct calls
- Collaboration using WebEx and STARLIMS Intranet

As part of the implementation plan, STARLIMS Corporation Engineers and Project Managers will submit a 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, and notification of any significant deviation from the previously agreed upon work plans.

As the implementation progresses, STARLIMS Corporation Engineers and Project Managers 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 progress reports.



All documentation prepared by the STARLIMS Corporation will be submitted to the Customer in Microsoft Word electronic format.

1.400 Project Management

Section 1.400 may be required for each subsequent Statement of Work that requests enhancement services through this Contract.

1.401 Issue Management

An issue is an identified event that if not addressed may affect schedule, scope, quality, or budget. The Contractor shall maintain an issue log for issues relating to the provision of services under this Contract. The issue management log must be communicated to the State's Project Manager on an agreed upon schedule, with email notifications and updates. The issue log must be updated and must contain the following minimum elements:

- Description of issue
- Issue identification date
- Responsibility for resolving issue.
- Priority for issue resolution (to be mutually agreed upon by the State and the Contractor)
- Resources assigned responsibility for resolution
- Resolution date
- Resolution description

The STARLIMS project manager will track all issues that arise as a result of project activity. An Issues List is built as issues are submitted to the project manager. Issues may originate for a particular deliverable or project activity, or they may be broad in scope (i.e. an issue that affects the project as a whole). Should disagreements arise between team members regarding timelines, scope, or requirement fulfillment, STARLIMS Corporation employs an Escalation Procedure. Specifics about the issue are reported to the Customer Executive Sponsor and the STARLIMS Corporation Director of Professional Services. A decision is made between these escalation team members regarding the path forward. This procedure saves the team members from becoming entrenched in disputes that could delay the project by overshadowing other important issues. Issue resolution is based on the severity and importance of the issue.

1.402 Risk Management

A risk is an unknown circumstance or event that, if it occurs, may have a positive or negative impact on the project. The Contractor is responsible for establishing a risk management plan and process, including the identification and recording of risk items, prioritization of risks, definition of mitigation strategies, monitoring of risk items, and periodic risk assessment reviews with the State. 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.

Risks are identified by all members of the implementation team and are documented by the STARLIMS Corporation's Project Manager and Documentation Engineer. The documentation includes a Risk Assessment table and includes the following information:

Relevance

- Does the risk involve GxP or business?
- What is the specific effect

Likelihood

- Low, Med or High

Severity

- Low = minor negative impact, no long term effect
- Med = moderate impact over short to medium term
- High = Significant negative impact over long term & potentially catastrophic short term effects

**Class**

- High severity + Med or High Likelihood = Level 1
- Med severity + High Likelihood = Level 1
- High severity + Med Likelihood = Level 2
- Med severity + Med Likelihood = Level 2
- Low severity + High Likelihood = Level 2
- Med or Low severity + Low Likelihood = Level 3
- Low severity + Med Likelihood = Level 3

Detection

- How easy is it to detect this risk
- Low, Med or High

Priority

- Class 1 or 2 + Low or Med Detection = High Priority
- Class 3 + Low Det = Med Priority
- Class 2 + Med Det = Med Priority
- Class 1 + High Det = Med Priority
- Class 2 + High Det = Low Priority
- Class 3 + Med or High Det = Low Priority

Mitigation Plan

The mitigation plan documents the risk and the ways in which to mitigate it if possible or how to monitor, address and resolve the issue should it arise.

Risk assessment is included in the communications plan that calls for weekly meetings via phone call and / or WebEx.

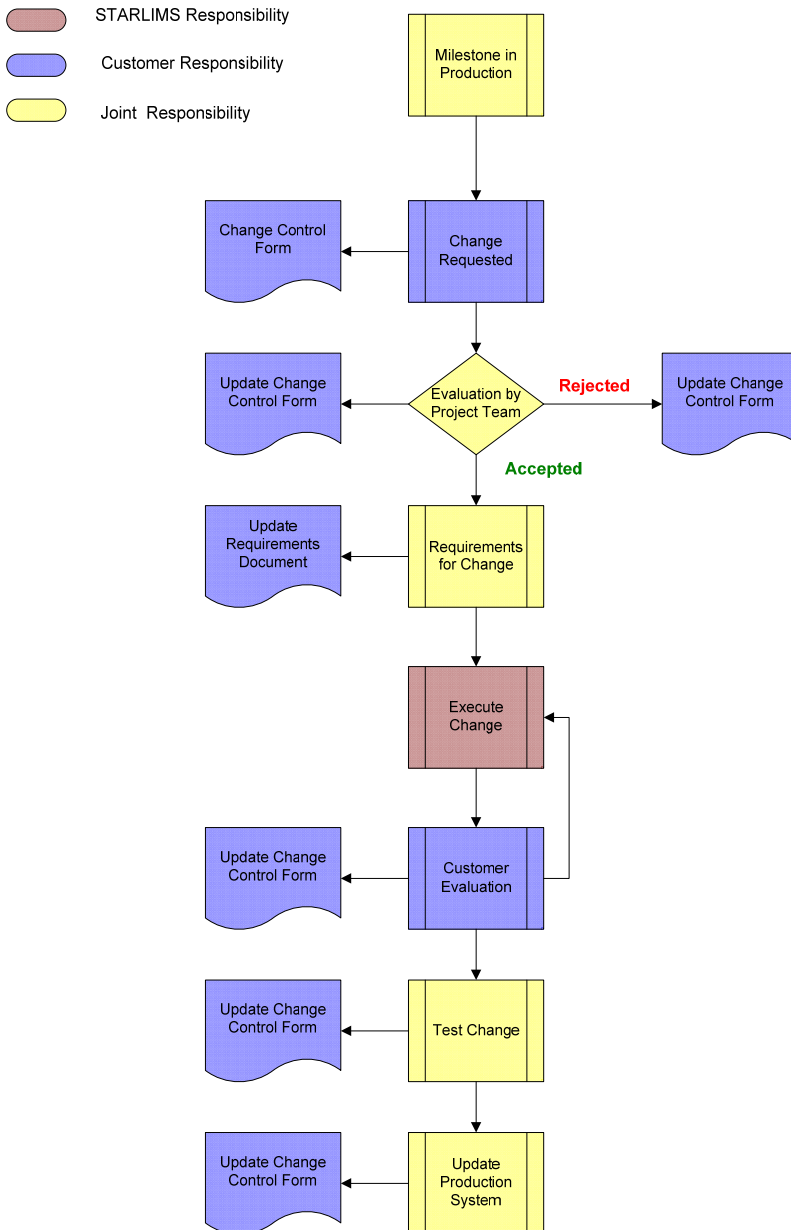
1.403 Change Management

Change management is defined as the process to communicate, assess, monitor, and control all changes to system resources and processes. The Contractor must employ the change control methodologies to justify changes in the processing environment, and to ensure those changes will not adversely affect performance or availability.

Once a phase is in production change control is handled through a formalized mechanism. A change control form is used to record the requested change. The project team reviews the change and determines if the change is accepted, how it will be delivered and how it will be tested.



Change Control Post-Go Live



1.500 Acceptance

1.501 Criteria

Acceptance criteria for deliverables will be identified in each individual project SOW.

1.502 Final Acceptance

Final acceptance criteria for deliverables will be identified in each individual project SOW.

1.600 Compensation and Payment

1.601 Compensation And Payment

This is a fixed price deliverable based Contract. The rates quoted will be firm for the duration of this Contract. See **Attachment 1** for Contract Cost Table.



The State will not pay for travel expenses including travel time, hotel, mileage, meals and parking unless pre-approved.

The parties agree that the Services/Deliverables to be rendered by Contractor pursuant to this Contract (and any future amendments of it) will be defined and described in detail in Statements of Work or Purchase Orders (PO) executed under this Contract. Contractor shall not be obliged or authorized to commence any work to implement a Statement of Work until authorized via a PO issued against this Contract. Contractor shall perform in accordance with this Contract, including the Statements of Work/Purchase Orders executed under it.

Invoicing - Contractor must submit properly itemized invoices to "Bill To" Address on the Purchase Order. Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor name, address, phone number, and Federal Tax Identification Number;
- Maintenance charges;
- Net invoice price for each item;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

The State may pay maintenance and support charges on a monthly basis, in arrears. Payment of maintenance service/support of less than one (1) month's duration shall be prorated at 1/30th of the basic monthly maintenance charges for each calendar day.

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

1.602 Holdback – Deleted NA



Article 2 - Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

This Contract is for a period of five (5) years beginning September 1, 2010 through August 30, 2015. All outstanding Purchase Orders must also expire upon the termination (cancellation 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, will 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 shall show acceptance of this Contract by signing two copies of the Contract and returning them to the Contract Administrator. 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 assumes no liability 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), approved and 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 will issue a written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order, which must be approved by the Contract Administrator or the Contract Administrator's designee, 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 also 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 will 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, which 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, Purchasing Operations and Department of Community Health (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. The Purchasing Operations Contract Administrator for this Contract is:

Dale N. Reif, Buyer
Purchasing Operations
Department of Technology, Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
(517) 373-3993
reifd@michigan.gov

2.022 Contract Compliance Inspector

The Director of Purchasing Operations 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. Purchasing Operations 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:

Sara Williams, Contract Liaison
Michigan Department of Information Technology
Chandler Plaza, 2nd Floor
300 E. Michigan Avenue
Lansing, MI 48913
Williamss11@michigan.gov
(517) 335-1277

2.023 Project Manager

The following individual will oversee the project:

Sheryl Conway, DTMB Manager
Michigan Department of Information Technology
Chandler Plaza, 1st Floor
300 E. Michigan Avenue
Lansing, MI 48913
conways@michigan.gov
(517)373-3137

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, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the 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, and before commencing performance of the requested activities, that it believes the requested activities 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, 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 should require 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 it be of the opinion that this 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 will 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 must 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 must 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, Purchasing Operations.
 - (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
Purchasing Operations
Attention: Dale N. Reif
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

Contractor: Starlims Corporation
Attn: Richard Lane
4000 Hollywood Boulevard, Suite 515 South
Hollywood, Florida 33021- 6755

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 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 must be or must be deemed to be an employee, agent or servant of the State for any reason. Contractor will 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 must act reasonably and in good faith. Unless stated otherwise in the Contract, the parties will 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

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

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 must 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 will 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 must 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

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



- (c) Correct invoices will 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 in its reasonable discretion that the invoice was properly rendered.
- (d) All invoices should reflect actual work done. Specific details of invoices and payments will 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 Purchasing Operations, Department of Management & Budget. This activity will occur only upon the specific written direction from Purchasing Operations.

The specific payment schedule for any Contract(s) entered into, as the State and the Contractor(s) will 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 any 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 will 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 will be made by electronic fund transfer (EFT).

2.050 Taxes

2.051 Employment Taxes

Contractors are expected to collect and pay all applicable federal, state, and local employment taxes, including the taxes.

2.052 Sales and Use Taxes

Contractors are required to be registered and to 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 - Deleted N/A

2.063 Re-assignment of Personnel at the State's Request - Deleted N/A

2.064 Contractor Personnel Location

All staff assigned by Contractor to work on the Contract will perform their duties either primarily at Contractor's offices and facilities or at State facilities. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

2.065 Contractor Identification

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

2.066 Cooperation with Third Parties

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel. As reasonably requested by the State in writing, the Contractor will 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 will 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 will 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 will provide the Services/Deliverables directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor will 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 must 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 will 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, Purchasing Operations 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 will 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 will 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 will 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 will 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 will provide only the equipment and resources identified in the Statements 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 must 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 will 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 will be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations will 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 will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel will 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 will be expected to agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. It is expected the Contractor will present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff will 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 will 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 Requirements - Deleted N/A



2.100 Confidentiality

2.101 Confidentiality

Contractor and the State each acknowledge that the other possesses and will 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 will 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 will (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 will 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 will 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 will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

2.104 No Implied Rights

Nothing contained in this Section must be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.



2.105 Respective Obligations

The parties' respective obligations under this Section must survive the termination or expiration of this Contract for any reason.

2.110 Records and Inspections

2.111 Inspection of Work Performed

The State's authorized representatives must 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 must 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 must 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 must 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 at its own expense 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 must 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 must 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 must 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 must 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 will meet to review each audit report promptly after issuance. The Contractor will 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 must 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 must 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 will 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 must 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 material respects of fulfilling and shall fulfill all of its material obligations under this Contract. The performance of all material 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 will 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 in all material respects. 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, Purchasing Operations.

2.122 Warranty of Merchantability - Deleted N/A

2.123 Warranty of Fitness for a Particular Purpose - Deleted N/A

2.124 Warranty of Title - Deleted N/A

2.125 Equipment Warranty - Deleted N/A

2.126 Equipment to be New - Deleted N/A

2.127 Prohibited Products - Deleted N/A

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.

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

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 DMB Purchasing Operations, 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 WILL 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 Purchasing Operations, 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 will 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 will 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 will 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 cause 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 the 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 will 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 will 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 will 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 agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 90 days. These efforts must include, but are not limited to, those listed in **Sections 2.141, 2.142, 2.143, 2.144, and 2.145**.

2.172 Contractor Personnel Transition

The Contractor must 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 agrees to 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 must 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.

2.182 Cancellation or Expiration of Stop Work Order

The Contractor must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must 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 must be deemed to be a termination for convenience under **Section 2.153**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not 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 must be resolved under the Contract Management procedures in this Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties must meet with the Director of Purchasing Operations, DMB, or designee, for the purpose of attempting 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 in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must 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 will 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 will 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 Purchasing Operations, DMB, or designee, must 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 will 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 will 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 will 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 the that the damages to the party resulting from the breach will 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 must 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, must 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 must 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 must 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

The rates of wages 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 Labor and Economic Development, Wage and Hour Bureau, 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. You must also post, in a conspicuous place, the address and telephone number of the Michigan Department of Labor and Economic Development, the office responsible for enforcement of the wage rates and fringe benefits. You 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 must 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 must be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.220 Limitation of Liability

2.221 Limitation of Liability

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. 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 the value of the Contract. 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 must 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) must 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 must 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 will be deemed to satisfy the requirements of this Section.



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

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

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 must 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 must 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 must notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.
- (c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its



obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.242 Service Level Agreement (SLA)

(a) SLAs will be completed with the following operational considerations:

- (1) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.
- (2) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.
- (3) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. To invoke this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.
- (4) Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following:
 - (i) Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.
 - (ii) Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.
- (b) Chronic Failure for any Service(s) will be defined as three unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling 30 day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different vendor for the chronic location(s) with Contractor to pay the difference in charges for up to three additional months. The termination of the Service will not affect any tiered pricing levels.
- (c) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor will provide its analysis within two weeks of outage(s) and provide a recommendation for resolution.
- (d) All decimals must be rounded to two decimal places with five and greater rounding up and four and less rounding down unless otherwise specified.

2.243 Liquidated Damages

The parties acknowledge that late or improper completion of the Work will cause loss and damage to the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result. Therefore, Contractor and the State agree that if there is late or improper completion of the Work and such late or improper completion is not the result of any action or inaction on the part of the State and the State does not elect to exercise its rights under **Section 2.141**, the State is entitled to collect liquidated damages in the amount of \$5,000.00 and an additional \$100.00 per day for each day Contractor fails to remedy the late or improper completion of the Work.

2.244 Excusable Failure

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



precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.

If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. But the party must use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 10 Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance continues; (b) the State may terminate any portion of the Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

The Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

2.250 Approval of Deliverables

2.251 Delivery of Deliverables

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

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

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.

2.252 Contractor System Testing

Contractor will be responsible for System Testing each Custom Software Deliverable in Contractor's development environment prior to turning over the Custom Software Deliverable to the State for User Acceptance Testing and approval. Contractor's System Testing shall include the following, at a minimum, plus any other testing required by CMM Level 3 or Contractor's system development methodology:



Contractor will be responsible for performing Unit Testing and incremental Integration Testing of the components of each Custom Software Deliverable.

Contractor's System Testing will also include Integration Testing of each Custom Software Deliverable to ensure proper inter-operation with all prior software Deliverables, interfaces and other components that are intended to inter-operate with such Custom Software Deliverable, and will include Regression Testing, volume and stress testing to ensure that the Custom Software Deliverables are able to meet the State's projected growth in the number and size of transactions to be processed by the Application and number of users, as such projections are set forth in the applicable Statement of Work.

Contractor's System Testing will also include Business Function Testing and Technical Testing of each Application in a simulated production environment. Business Function Testing will include testing of full work streams that flow through the Application as the Application will be incorporated within the State's computing environment. The State shall participate in and provide support for the Business Function Testing to the extent reasonably requested by Contractor. Within ten (10) days before the commencement of Business Function Testing pursuant to this Section, Contractor shall provide the State for State review and written approval Contractor's test plan for Business Function Testing.

Within five (5) Business Days following the completion of System Testing pursuant to this **Section**, Contractor shall provide to the State a testing matrix establishing that testing for each condition identified in the System Testing plans has been conducted and successfully concluded. To the extent that testing occurs on State premises, the State shall be entitled to observe or otherwise participate in testing under this Section as the State may elect.

2.253 Approval of Deliverables, In General

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

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

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

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

If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing State approval of a Deliverable, the State may: (i) demand that Contractor cure the failure and give Contractor additional time to cure the failure at the sole expense of Contractor; or (ii) keep this Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, in which



event Contractor shall bear any 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 must be corrected prior to approval of the Written Deliverable (or at the State's election, subsequent to approval of the Written Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within five (5) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Written Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Written Deliverable to confirm that the identified deficiencies have been corrected.

2.255 Process for Approval of Custom Software Deliverables

The State will conduct UAT of each Custom Software Deliverable in accordance with the following procedures to determine whether it meets the criteria for State approval – i.e., whether it conforms to and performs in accordance with its specifications without material deficiencies.

Within thirty (30) days (or such other number of days as the parties may agree to in writing) prior to Contractor's delivery of any Custom Software Deliverable to the State for approval, Contractor shall provide to the State a set of proposed test plans, including test cases, scripts, data and expected outcomes, for the State's use (which the State may supplement in its own discretion) in conducting UAT of the Custom Software Deliverable. Contractor, upon request by the State, shall provide the State with reasonable assistance and support during the UAT process.

For the Custom Software Deliverables listed in an attachment, the State Review Period for conducting UAT will be as indicated in the attachment. For any other Custom Software 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 Custom Software Deliverable will begin when



Contractor has delivered the Custom Software Deliverable to the State accompanied by the certification required by this **Section** and the State's inspection of the Deliverable has confirmed that all components of it have been delivered.

The State's UAT will consist of executing test scripts from the proposed testing submitted by Contractor, but may also include any additional testing deemed appropriate by the State. If the State determines during the UAT that the Custom Software Deliverable contains any deficiencies, the State will notify Contractor of the deficiency by making an entry in an incident reporting system available to both Contractor and the State. Contractor will modify promptly the Custom Software Deliverable to correct the reported deficiencies, conduct appropriate System Testing (including, where applicable, Regression Testing) to confirm the proper correction of the deficiencies and re-deliver the corrected version to the State for re-testing in UAT. Contractor will coordinate the re-delivery of corrected versions of Custom Software Deliverables with the State so as not to disrupt the State's UAT process. The State will promptly re-test the corrected version of the Software Deliverable after receiving it from Contractor.

Within three (3) business days after the end of the State Review Period, the State will give Contractor a written notice indicating the State's approval or rejection of the Custom Software Deliverable according to the criteria and process set out in this **Section**.

2.256 Final Acceptance

"Final Acceptance" shall be considered to occur when the Custom Software Deliverable to be delivered has been approved by the State and has been operating in production without any material deficiency for fourteen (14) consecutive days. If the State elects to defer putting a Custom Software Deliverable into live production for its own reasons, not based on concerns about outstanding material deficiencies in the Deliverable, the State shall nevertheless grant Final Acceptance of the Project.

2.260 Ownership

2.261 Ownership of Work Product by State

The State owns all Deliverables, except for any licensed works identified in the statement of work, 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, except for any licensed works identified in the statement of work..

2.262 Vesting of Rights – Deleted NA

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.



Notwithstanding any provision of this Contract to the contrary, any preexisting work or materials, including but not limited to, any routines, libraries, tools, methodologies, processes or technologies (collectively, "Development Tools") created, adapted or used by Contractor in its business generally, including any and all associated intellectual property rights, shall be and remain the sole property of Contractor, and the State shall have no interest or claim to such preexisting work, materials or Development Tools, except as necessary to exercise its right in the Work Product.

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/dit>.

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://www.michigan.gov/ditservice>. 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 - Deleted N/A

2.290 Environmental Provision - Deleted N/A

2.300 Deliverables - Deleted N/A

2.310 Software Warranties

2.311 Performance Warranty

The Contractor represents and warrants that Deliverables, after Final Acceptance, will perform and operate in compliance with the requirements and other standards of performance contained in this Contract (including all descriptions, specifications and drawings made a part of the Contract) for a period of (90) ninety days. In the event of a breach of this warranty, Contractor will promptly correct the affected Deliverable(s) at no charge to the State.

2.312 No Surreptitious Code Warranty

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

As used in this Contract, "Self-Help Code" means any back door, time bomb, drop dead device, or other software routine designed to disable a computer program automatically with the passage of time or under the positive control of a person other than the licensee of the software. Self-Help Code does not include Software



routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

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

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

2.313 Calendar Warranty

The Contractor represents and warrants that all software for which the Contractor either sells or licenses to the State of Michigan and used by the State prior to, during or after the calendar year 2000, includes or shall include, at no added cost to the State, design and performance so the State shall not experience software abnormality and/or the generation of incorrect results from the software, due to date oriented processing, in the operation of the business of the State of Michigan.

The software design, to insure calendar year rollover compatibility, shall include, but is not limited to: data structures (databases, data files, etc.) that provide 4-digit date century; stored data that contain date century recognition, including, but not limited to, data stored in databases and hardware device internal system dates; calculations and program logic (e.g., sort algorithms, calendar generation, event recognition, and all processing actions that use or produce date values) that accommodates same century and multi-century formulas and date values; interfaces that supply data to and receive data from other systems or organizations that prevent non-compliant dates and data from entering any State system; user interfaces (i.e., screens, reports, etc.) that accurately show 4 digit years; and assurance that the year 2000 shall be correctly treated as a leap year within all calculation and calendar logic.

2.314 Third-party Software Warranty

The Contractor represents and warrants that it will disclose the use or incorporation of any third-party software into the Deliverables. At the time of Delivery, the Contractor shall provide in writing the name and use of any Third-party Software, including information regarding the Contractor's authorization to include and utilize such software. The notice shall include a copy of any ownership agreement or license that authorizes the Contractor to use the Third-party Software.

2.315 Physical Media Warranty

Contractor represents and warrants that each licensed copy of the Software provided by the Contractor is free from physical defects in the media that tangibly embodies the copy. This warranty does not apply to defects discovered more than (30) thirty days after that date of Final Acceptance of the Software by the State. This warranty does not apply to defects arising from acts of Excusable Failure. If the Contractor breaches this warranty, then the State shall be entitled to replacement of the non-compliant copy by Contractor, at Contractor's expense (including shipping and handling).

2.320 Software Licensing - Deleted N/A

2.330 Source Code Escrow - Deleted N/A

2.400 Other Provisions - Deleted N/A



DEFINITIONS

Days	Means calendar days unless otherwise specified.
24x7x365	Means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
Additional Service	Means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
Audit Period	See Section 2.110
Business Day	Whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
Blanket Purchase Order	An alternate term for Contract as used in the States computer system.
Business Critical	Any function identified in any Statement of Work as Business Critical.
Chronic Failure	Defined in any applicable Service Level Agreements.
Deliverable	Physical goods and/or commodities as required or identified by a Statement of Work
DTMB	Michigan Department of Technology, Management and Budget
Environmentally preferable products	A product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those that contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.
Excusable Failure	See Section 2.244.
Hazardous material	Any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).
Incident	Any interruption in Services.
ITB	A generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the RFP to potential bidders
Key Personnel	Any Personnel designated in Article 1 as Key Personnel.
New Work	Any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
Ozone-depleting substance	Any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydro chlorofluorocarbons
Post-Consumer Waste	Any product generated by a business or consumer which has served its intended end use, and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.
Post-Industrial Waste	Industrial by-products that would otherwise go to disposal and wastes generated after completion of a manufacturing process, but do not include internally generated scrap commonly returned to industrial or manufacturing processes.
Recycling	The series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.
Deleted – Not Applicable	Section is not applicable or included in this RFP. This is used as a placeholder to maintain consistent numbering.
Reuse	Using a product or component of municipal solid waste in its original form more than once.
RFP	Request for Proposal designed to solicit proposals for services



Services	Any function performed for the benefit of the State.
Source reduction	Any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.
State Location	Any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
Subcontractor	A company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
Unauthorized Removal	Contractor's removal of Key Personnel without the prior written consent of the State.
Waste prevention	Source reduction and reuse, but not recycling.
Waste reduction and Pollution prevention	The practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.
Work in Progress	A Deliverable that has been partially prepared, but has not been presented to the State for Approval.
Work Product	Refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by this Contract.



Attachment 1 - COST TABLE

Summary Table: Total Costs

Project Cost(s)	Total Cost (\$)	Comments
Maintenance and Support Breakdown in Table 1	\$ 380,000.00	The yearly totals calculated include a 10% discount that was applied to last's years support costs and an additional \$4,000 cost for the 24*7*365 support option.
Labor Rates for Reserve Bank of Hours (for future enhancements and scope change) Breakdown in Table 2	\$ 436,750.00	All of the costs were calculated using off-site rates. If work is to be performed at the State site in Lansing please add \$12.50 per hour. (On site work has a rate of \$200 per hour). Travel and travel related expenses are included in the \$200 per hour rate.
Annual Visit @ \$6,400	\$32,000.00	Annual Onsite System Maintenance and Performance Review
Total Cost	\$848,750.00	

Table 1: Maintenance and Support

	Cost Categories	Total Cost (\$)	Comments
	Maintenance and Support cost (includes helpdesk)		The totals calculated to the left include a 10% discount that was applied to last's years support costs and an additional \$4,000 cost for the 24*7*365 support option.
	First Year	\$76,000.00	
	Second Year	\$76,000.00	
	Third Year	\$76,000.00	
	Fourth Year	\$76,000.00	
	Fifth Year	\$76,000.00	
	Combined Total	\$380,000.00	

Table 2: Labor Rates for Optional "Reserve Bank of 2,433 Hours" for future enhancements & scope change

Resource Type	Estimated hours	Hourly Rate	Extended Price
Project management	200	\$187.50	\$37,500.00
Business analysts	900	\$187.50	\$168,750.00
System analysts	900	\$187.50	\$168,750.00
Programmer/developers	100	\$187.50	\$18,750.00
System administrators		\$187.50	
Database administrators		\$187.50	
Q/A Manager		\$187.50	
Security specialist		\$187.50	
Testers	100	\$187.50	\$18,750.00
Technical writers		\$187.50	
CM specialists		\$187.50	
System Architects		\$187.50	
Network engineer/administrator		\$187.50	
Software Architects		\$187.50	
CM specialists		\$187.50	
Project assistants		\$187.50	
Web developers		\$187.50	
Application trainers	300	\$187.50	\$56,250.00
Others: (List) below):		\$187.50	
Total Cost of Optional "Reserve Bank of Hours "	2,330		\$436,750.00

**Notes:**

1. The State intends to establish funding for a bank of hours for the Contract, Actual funding for enhancements will occur on a yearly basis, and there is no guarantee as to the level of funding, if any, available to the project.
2. Hourly rates quoted are firm, fixed rates for the duration of the contract. **Travel and other expenses will not be reimbursed.** "Estimated Hours" and "Extended Price" are non-binding and will be used at the State's discretion to determine best value to the State. Vendors shall complete the Estimated Hours column based on prior experience performing product enhancements. The State will utilize the fully loaded hourly rates detailed above for each staff that will be used as fixed rates for responses to separate statements of work.



STARLIMS SOFTWARE LICENSE, SUPPORT AND SERVICES AGREEMENT

(This "Agreement")

Dated _____, 20____
(the "Effective Date")

Between

STARLIMS CORPORATION
of 4000 Hollywood Blvd., Hollywood, Florida, 33021, USA,
("STARLIMS")

AND

of _____
("LICENSEE");

STARLIMS and LICENSEE are each referred to as
a "Party" and, together, the "Parties")



Table of Contents

THIS AGREEMENT2

SIGNATURE PAGE.....10

APPENDIX A - PROGRAM SCHEDULE.....11

APPENDIX B – FORM OF ESCROW AGREEMENT18

ADDENDUM A - PARTICIPATING USER AGREEMENT.....14

APPENDIX C – STARLIMS SOFTWARE MAINTENANCE PLAN.....18[5](#)



THIS Agreement

THIS AGREEMENT CONCERNS THE PROGRAMS AND RELATED SERVICES DESCRIBED IN THE PROGRAM SCHEDULE. The Program Schedule and any other appendix, exhibit, or document attached hereto, as well as this introduction, contain terms and conditions that are hereby incorporated into and made part of this Agreement. Subject to the provisions of Section 16.2, the terms of this Agreement will be binding on any successor to LICENSEE or STARLIMS.

1. KEY DEFINITIONS

1.1. "Affiliate" means, with respect to either Party, a corporation or any other entity that directly, or indirectly through one or more intermediaries, controls, is controlled, or is under common control with, such Party. As used herein, the term "control" means possession of direct or indirect power to order or cause the direction of the management and policies of a corporation or other entity whether (a) through the ownership of more than fifty percent (50%) of the voting securities of the other entity; or (b) by contract, statute, regulation or otherwise.

1.2. "Confidential Information" has the meaning ascribed thereto in Section 8.1.

1.3. "Documentation" means the user instructions, manuals, or other materials or on-line help files regarding the use of the Program provided by STARLIMS.

1.4. "Escrow Agreement" means the agreement in the form of Appendix B attached hereto.

1.5. "License" has the meaning ascribed thereto in Section 2.

1.6. "Maintenance" has the meaning ascribed thereto in Section 9.1.

1.7. "Media" means the physical tapes, diskettes, discs, flash drives and other types of physical storage devices on which the Program is delivered to LICENSEE.

1.8. "Professional Services" has the meaning ascribed thereto, as is further described, in Section 10.

1.9. "Program" means the computer software described in the Program Schedule, including any copy or modification or update or upgrade thereof, subject to any right of LICENSEE to receive the same.

1.10. "Program Schedule" means the written quote attached hereto as Appendix A and listing the Program licenses and Services that LICENSEE has purchased or ordered hereunder. Such term also includes any other document listing Program licenses and Services and attached hereto and sequentially numbered as Appendix A-1, Appendix A-2, etc.

1.11. "Services" means Maintenance and Professional Services.

1.12. "Source Code Material" means the source code underlying the Program together with any Documentation related thereto.

1.13. "Software Maintenance Plan" means the agreement in the form attached as Appendix C hereto.

1.14. "Update" means any patch, fix, enhancement or other modification made to a current release of a Program, together with any Documentation related thereto.

1.15. "Upgrade" means any new release of the Program, together with any Documentation related thereto.

1.16. "Warranty Period" has the meaning ascribed thereto in Section 5.1.



2. FULLY PAID-UP LICENSE

Subject to the conditions set forth in this Agreement and in accordance with the license scope identified in the Program Schedule(s), STARLIMS hereby grants LICENSEE, and LICENSEE accepts, a fully paid-up, non-transferable and non-exclusive license to use the Program and any related Documentation as indicated in the Program Schedule (the "License"). The License includes the right to configure the Program by employing the configuration and design tools provided therewith. The License also includes the right to use, copy, and modify the Source Code Material, to the extent obtained by LICENSEE under the terms of the Escrow Agreement, solely as necessary to maintain, enhance and support LICENSEE's use of the Program as permitted herein, and to produce, through compilation or assembly, copies of the Program in object code form for use for such permitted uses, and to hire third parties to do any of the foregoing solely on LICENSEE's behalf. HOWEVER, LICENSEE MAY NOT USE, COPY, SUBLICENSE, ALLOW THE USE BY OTHERS OR TRANSFER THE PROGRAM OR DOCUMENTATION, IN WHOLE OR IN PART, EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT. LICENSEE may use the Program only at the limited geographic locations and for the maximum quantity of users, if applicable, that are specified in the Program Schedule. All use of the Program shall be solely for LICENSEE's internal business purposes and in a manner consistent with the License. LICENSEE shall have the right, at no additional cost, to change the central processing unit ("CPU"), operating system, or geographic locations where the Program may be used, provided that LICENSEE, within five (5) business days following any change in geographic location, notifies STARLIMS in writing and in detail of such change, and provided that the total number of users at any given time does not exceed the total number of users licensed under the License, as set forth in the Program Schedule. LICENSEE shall be responsible for all costs in connection with effecting such change. LICENSEE shall promptly delete the Program in its entirety from the CPU, system or location where it is no longer in use, and certify the permanent deletion of the Program in a writing by an authorized representative of LICENSEE, which is promptly delivered to STARLIMS in accordance with Section 16.7.

3. TERM AND TERMINATION

3.1. Term. This Agreement will become effective on the Effective Date and will remain in full force and effect unless terminated in accordance with this Agreement.

3.2. Termination for Cause. Either Party may terminate this Agreement, or any License granted hereunder, for breach by the other Party, upon sixty (60) days prior written notice detailing the specific breach, provided that the breach is not cured within such sixty (60) days period.

3.3. Termination for Convenience by LICENSEE. LICENSEE may terminate this Agreement or any License granted hereunder at any time by destroying all copies (including permanent deletion of all electronic copies) of the Program, Media and Documentation that were the subject of such terminated License, and by certifying such destruction in a writing by an authorized representative of LICENSEE, which is promptly delivered to STARLIMS in accordance with Section 16.7.

3.4. Remedies upon Termination. In the event of termination of this Agreement, or of any License granted hereunder, by LICENSEE under Section 3.3, or by STARLIMS under Section 3.2, all outstanding fees for such terminated License, and for Maintenance and Services performed with respect to such License through and including the effective date of such termination, will immediately become due and payable to STARLIMS, in addition to any other remedy or remedies which may be available under this Agreement, at law or in equity. Amounts due for Maintenance on such termination shall be prorated on a straight-line basis of a year consisting of 365 days. That is, the number of days between the date of termination and date that fees were accrued shall be divided by 365 to determine the percentage of a year for proration. Upon termination of this Agreement or any License granted hereunder, whether by STARLIMS or by LICENSEE, LICENSEE shall return or certify in a writing by an authorized representative of LICENSEE the destruction of all copies (including permanent deletion of all electronic copies) of the Program, Media and Documentation that were the subject of such terminated License, which is promptly delivered to STARLIMS in accordance with Section 16.7.

3.5. Survival of Clauses. The expiration, termination or cancellation of this Agreement will not extinguish the rights of either Party that accrue prior to expiration, termination or cancellation. Sections 1, 3.4, 3.5, 5, 6, 7, 8, 10.3, 13 and 16 shall survive termination of this Agreement for any reason, subject to any time limitations set forth therein.



4. RESPONSIBILITY FOR PAYMENT

4.1. LICENSEE shall pay invoices for the License and Services in accordance with the fees and schedules set forth in the applicable Program Schedule.

4.2. LICENSEE shall be responsible for the timely payment of all amounts owed to STARLIMS for the License and all other charges incurred under the terms of this Agreement and the Program Schedule. These charges are exclusive of federal, state and local taxes. LICENSEE agrees to pay invoices for required federal, state and local sales and use taxes where applicable and shall perform all required tax administration.

4.3. A late payment fee in an amount equal to the lesser of three quarters of one percent (0.75%) per month and the maximum rate permitted by law will be charged to LICENSEE on any delinquent amount owed to STARLIMS pursuant to this Agreement accruing from the date due until the date actually paid.

5. WARRANTIES

5.1. For a period of one (1) year following the first delivery of the Program to LICENSEE (the "Warranty Period"), STARLIMS warrants that (a) the Media will be substantially free from defects in materials or workmanship; (b) the Program, and any Updates and Upgrades provided in the Warranty Period will be substantially free of errors, bugs and defects; and (c) the Program, and any Updates and Upgrades provided in the Warranty Period will operate in substantial conformity with the Documentation. In the event of a breach of either of the foregoing warranties, as LICENSEE's sole and exclusive remedy, STARLIMS will, at its option, replace any defective Media returned to STARLIMS within the Warranty Period, or provide Updates to LICENSEE to correct other defects brought to STARLIMS' attention within the Warranty Period. During the Warranty Period, STARLIMS shall provide LICENSEE with the Maintenance at no additional charge.

5.2. EXCEPT AS EXPRESSLY SET FORTH ABOVE, THE PROGRAM IS PROVIDED "AS IS" AND NO OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, ARE MADE WITH RESPECT THERETO, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, USE, APPLICATION, AND NON-INFRINGEMENT. STARLIMS DOES NOT WARRANT THAT THE FUNCTIONS CONTAINED IN THE PROGRAM WILL MEET LICENSEE'S REQUIREMENTS OR THAT THE PROGRAM WILL BE UNINTERRUPTED OR ERROR-FREE. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY STARLIMS, ITS AFFILIATES, ITS EMPLOYEES, DISTRIBUTORS, DEALERS OR AGENTS WILL INCREASE THE SCOPE OF THE ABOVE WARRANTIES OR CREATE ANY NEW WARRANTY.

6. LIMITATION OF LIABILITY

STARLIMS shall not be liable for any indirect, incidental, special or consequential damages (including, but not limited to, loss of profits, revenue, data or use, failure to realize a savings, or any other pecuniary loss) arising out of the use or inability to use the Program or any other claim by any party, even if STARLIMS has been advised of the possibility of such damages. In no event will STARLIMS' liability to LICENSEE, whether in contract law, tort law, warranty, or otherwise, exceed the amounts actually received by STARLIMS from LICENSEE under this Agreement.

7. INDEMNITY

The indemnity obligations of STARLIMS and the LICENSEE shall be governed by the indemnification obligations set forth in that certain Contract between the Parties dated as of _____, 2010.

8. CONFIDENTIAL INFORMATION

8.1. "Confidential Information" means any non-public information a Party (the "Disclosing Party") discloses to the other Party (the "Receiving Party") that is: (a) designated in writing as confidential or proprietary; or (b) designated orally as confidential or proprietary, provided that any Confidential Information disclosed orally must be summarized, appropriately labeled and provided in tangible form within two (2) weeks after disclosure.

8.2. Confidential Information will not include any information that can be demonstrated by the Receiving Party: (a) was or subsequently becomes publicly available without the Receiving Party's breach of this Agreement; (b) was known to the Receiving Party prior to the disclosure by the Disclosing Party; (c) was or



subsequently is obtained from a source other than the Disclosing Party, without, to the knowledge of the Receiving Party, breach of an obligation of confidentiality owed to the Disclosing Party; (d) is independently developed by the Receiving Party without reference to the Disclosing Party's Confidential Information; (e) is approved for release by the written authorization of the Disclosing Party; or (f) is trivial or obvious. Each Party agrees that, upon receipt of Confidential Information from the Disclosing Party hereunder, the Receiving Party shall use the same means it uses to protect its own confidential and proprietary information of like kind and sensitivity, but in any event not less than commercially reasonable means, to prevent the disclosure thereof and to protect the confidentiality thereof. Upon termination of this Agreement, the Receiving Party shall promptly return or destroy all Confidential Information (including all copies thereof, and permanent deletion of electronic copies) of the Disclosing Party and certify to the Disclosing Party as to such return or destruction, except for copies thereof that are contained in archival or backup media that is not readily separable from other information of the Receiving Party, and except as necessary to comply with regulatory requirements for the retention of information.

8.3. During the term of this Agreement and for a period of seven (7) years after its expiration or termination for any reason, the Receiving Party shall not disclose, directly or indirectly, any of the Disclosing Party's Confidential Information to any third party except: (a) in accordance with any applicable judicial or other governmental order, provided the Receiving Party gives the Disclosing Party reasonable notice prior to such disclosure in order to enable the Disclosing Party to seek a protective order, and provided further that if the Disclosing Party is unsuccessful, the Receiving Party will disclose such information only to the minimum extent required by law; and (b) to the Receiving Party's and its Affiliates' officers, directors and employees on a need-to-know basis solely for the pursuit of the transactions contemplated hereby, provided that (i) the Receiving Party has informed such persons of the confidential nature of and obligations and restrictions with respect to such Confidential Information; (ii) such persons are obligated to maintain the confidentiality of such Confidential Information under obligations that are at least as restrictive as the obligations of this Agreement; and (iii) the Receiving Party shall be liable to the Disclosing Party under this Agreement for any breach by any such person of the provisions of any non-disclosure agreement to which he/she is a party.

8.4. During the term of this Agreement, LICENSEE may employ or engage third-party software engineers, for the purpose of developing applications for LICENSEE, and other services providers, all as independent contractors (together, "Contractors"). For clarification, all such software applications will be the property of LICENSEE. A Contractor will have the right to use and access the Program during the performance of the Contractor's development of applications for, or provision of services to, LICENSEE, all within the limitations of the License. LICENSEE represents that any Contractor's use of and access to the Program will be in accordance with the following: (a) each Contractor shall be bound by nondisclosure requirements protecting the Confidential Information of STARLIMS that are at least as restrictive as the requirements set forth in this Section 8; (b) in no circumstances may Contractors have access to the Source Code Material; (c) in no circumstances will Contractors use the Program to operate or manage the business of the Contractors; (d) such use will not constitute an unauthorized exporting of any STARLIMS Confidential Information under U.S. government laws and regulations; (e) Contractors shall return to LICENSEE the Program and all Documentation upon completion of application development or other termination of such Contractor's services; and (f) LICENSEE shall be responsible for its Contractors' compliance with the terms of this Agreement in connection with their use of the Program.

9. MAINTENANCE

9.1. Following the expiration of the Warranty Period, an annual Software Maintenance Plan as detailed in Appendix C attached hereto ("Maintenance") is available for a separate maintenance fee that provide the same level of support and provision of Updates and Upgrades as are provided during the Warranty Period. Maintenance and corresponding fees are further described in the applicable Program Schedule and in the attached Software Maintenance Plan in Appendix C. Use by LICENSEE of any Update or Upgrade will be governed by the terms of this Agreement.

9.2. LICENSEE will have the option to order Maintenance for an additional one (1) year term for the fee shown on the applicable Program Schedule and under the terms of the attached Software Maintenance Plan in Appendix C. Thereafter, such fees may be increased each year by STARLIMS by up to five percent (5%). STARLIMS shall notify LICENSEE of any such increase at least thirty (30) days prior to the end of any annual



Maintenance renewal term. LICENSEE may discontinue Maintenance at any time upon thirty (30) days prior written notice to STARLIMS and continue to use the Program without the benefit of Maintenance. STARLIMS, by request following the date of expiration or early termination of Maintenance, shall provide LICENSEE with any Updates and Upgrades released prior to such date that were not previously provided to LICENSEE.

9.3. If LICENSEE discontinues Maintenance and later opts to reinstate Maintenance, LICENSEE shall be required first to pay to STARLIMS the current rates for such Maintenance multiplied by one hundred and twenty percent (120%), for the period during which it was not eligible to receive Maintenance. LICENSEE then will be eligible to receive Updates and Upgrades at the current rates in accordance with the attached Software Maintenance Plan.

9.4. LICENSEE shall not be required to install any Update or Upgrade that LICENSEE deems may have an adverse effect on the operation or functionality of the Program or the operation of LICENSEE's business.

10. PROFESSIONAL SERVICES

10.1. Professional services related to the implementation of the Program at LICENSEE's designated locations are available from STARLIMS at the rates specified in the applicable Program Schedule ("Professional Services"). The Professional Services may include project management, user requirement specification, solution design, configuration, integration, instrument interfacing, migration, documentation and training. The scope of the Professional Services, timelines and other terms and conditions applying to the provision by STARLIMS of the Professional Services are described in the applicable Program Schedule. Further description of the Professional Services may be set out in a Statement of Work, if any, agreed upon by the Parties and attached hereto as Appendix D, which may be amended from time to time by the Parties by mutual written agreement. It is agreed that the provision of the Professional Services requires LICENSEE's active cooperation and in particular:

10.1.1. LICENSEE shall provide, maintain and make available to STARLIMS, at LICENSEE's expense and in a timely manner, the resources described in Sections 10.1.2 and 10.1.3 below, and such other additional resources as STARLIMS may from time to time reasonably request in connection with STARLIMS' performance of the Professional Services. Delays in the provision of these resources may result in delays and/or additional cost in performing the Professional Services or delivering the Program. The Professional Services will be deemed completed if STARLIMS does not receive written notice from LICENSEE detailing any rejection thereof within thirty (30) days of the date of the final invoice issued for such Professional Services;

10.1.2. LICENSEE will (a) designate and make available to STARLIMS qualified LICENSEE representatives who will consult with STARLIMS on a regular basis in connection with the Professional Services; and (b) furnish such documentation, "use cases" or other information as is reasonably necessary to perform the Professional Services; and

10.1.3. LICENSEE shall furnish access to LICENSEE's premises, and appropriate workspace for STARLIMS personnel performing those portions of the Professional Services to be performed at LICENSEE's premises.

10.2. Expenses. Unless explicitly stated otherwise in a Program Schedule, the fees for Professional Services do not include travel, lodging, meals, and other incidental out-of-pocket expenses, which will be reimbursed to STARLIMS by LICENSEE on a reasonably incurred basis, as supported by copies of receipts.

10.3. Professional Services Warranty. STARLIMS warrants that the Professional Services will be performed in a professional and workmanlike manner and in accordance with industry standards. STARLIMS will re-perform any Professional Services that are not in compliance with the foregoing warranty that are brought to STARLIMS' attention within thirty (30) days after the work is performed. STARLIMS makes no representation or warranty of any kind with respect to any products or services provided or performed by a third party.

11. USE

11.1. In the event that LICENSEE forms an affiliated company, either from itself or through acquisition or by other means, and that affiliated company desires to use or continue to use the Program, that affiliated company must obtain its own separate license from STARLIMS.



11.2. Any software and documentation that is independently developed by LICENSEE utilizing the object code of a Program licensed hereunder will be the property of LICENSEE and may be used by LICENSEE for whatever purpose it chooses and at its sole discretion.

11.3. LICENSEE may continue to have unrestricted use of the Program, in accordance with the terms and conditions of this Agreement, during any dispute between LICENSEE and STARLIMS provided LICENSEE is negotiating in good faith to resolve any dispute and all undisputed fees due STARLIMS have been paid.

11.4. Any copy of the Program and Documentation maintained by LICENSEE in accordance with the terms hereof shall contain the same proprietary notices as those appearing on and in those originally provided to LICENSEE by STARLIMS. LICENSEE may make additional copies of the Program as follows:

11.4.1. for use at a disaster recovery site, in the event LICENSEE suffers a disaster during which LICENSEE cannot operate the Program on its CPU and/or location identified on the applicable Program Schedule, or for testing preparedness at a disaster recovery site, until such disaster or test (as the case may be) concludes; and

11.4.2. for archival or back-up purposes, to enable restoration of the Program in the event of a Program failure or LICENSEE's system failure.

11.5. LICENSEE shall maintain records of all the locations where copies of the Program are kept, and shall implement reasonable controls to insure that its number of users does not exceed the maximum number of users licensed hereunder. Upon STARLIMS' request, LICENSEE promptly shall provide STARLIMS with a written statement certifying the extent of LICENSEE's usage of the Program(s) identified by STARLIMS and/or allow STARLIMS or its designee to conduct a reasonable audit of the applicable LICENSEE facilities and records to determine whether or not LICENSEE's usage of such Program is in conformance with the terms of this Agreement. In the event a usage deviation of greater than five percent (5%) is discovered as a result of such audit, LICENSEE shall bear all the costs of such audit. Upon discovery of a deviation from LICENSEE's allowable usage of the Program, LICENSEE shall use its best efforts to immediately comply with the usage terms of this Agreement.

12. LICENSEE WARRANTIES

LICENSEE warrants and represents that it has full power and authority to enter into this Agreement and to meet all of its obligations hereunder, and that the performance of its obligations under this Agreement will not conflict with any obligation or duty owed to any third party.

13. INDEPENDENT CONTRACTORS

STARLIMS is and will remain an independent contractor with respect to the Licensee and the performance of the Services. Neither STARLIMS nor its employees will be considered an employee or agent of LICENSEE for any purpose. STARLIMS' employees will have no authority to bind or make commitments on behalf of LICENSEE for any purpose and will not represent themselves as having such authority. STARLIMS will have sole responsibility for the supervision, daily direction and control, payment of salary (including withholding of income taxes and social security), worker's compensation, disability benefits and the like of its personnel.

14. ACCESS TO STARLIMS' CUSTOMER INTRANET SITE

STARLIMS maintains, from time to time, one or more websites that contain information pertaining to STARLIMS products and services ("Information"). The Information being selected, updated, and made available on such websites is in the sole discretion of STARLIMS. STARLIMS will permit LICENSEE to have access to the website under the terms, conditions, and policies stated on the website.

15. ESCROW AGREEMENT:

15.1. STARLIMS hereby warrants and represents that it shall use commercially reasonable efforts to ensure that (i) a copy of the Source Code Material remain deposited with the escrow agent referred to in the Escrow Agreement, or any other escrow agent under identical or substantially similar terms as those contained in such agreement, throughout the Warranty Period, or, if the same has expired, the term of any Maintenance



purchased hereunder; and (ii) the Source Code Material will be released to LICENSEE where applicable under the terms of the Escrow Agreement.

15.2. No payment will be necessary for LICENSEE to exercise its rights to obtain the deposit from the escrow agent other than the reasonable and incidental fees of the escrow agent in producing a copy of the Source Code Material to be provided to LICENSEE.

16. GENERAL

16.1. Entire Agreement/Amendment. The terms contained herein constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior communications and agreements, whether oral, written or otherwise recorded in any manner. This Agreement cannot be amended, modified or changed except by a written instrument signed by duly authorized representatives of each Party.

16.2. Assignment. Each Party will be entitled to assign this Agreement and its rights hereunder, without cost or consent, to an Affiliate thereof, or to an entity with which that Party may merge or consolidate, or which purchases all or any substantial portion of that Party's business or assets to which this Agreement relates. Each Party shall notify the other Party, in writing, of any such assignment within a reasonable time after the same has occurred. Otherwise, no right or obligation hereunder is assignable without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. Any authorized assignee of this Agreement shall agree in writing to assume all the rights and obligations of the assignor hereunder.

16.3. Compliance. STARLIMS hereby warrants that its provision of the Program and the Services hereunder will comply with all applicable laws, rules and regulations, and STARLIMS will have obtained all permits required to comply with such laws and regulations.

16.4. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Michigan, without regard to the conflict of laws provisions thereof.

16.5. Headings and Recitals. Headings used in this Agreement are for reference only and will not be deemed a part of this Agreement.

16.6. Non-Waiver. No term or provision hereof will be deemed waived and no breach excused unless such waiver or consent will be in writing and signed by the Party claimed to have waived or consented.

16.7. Notice. Each Program Schedule or Statement of Work will identify individuals who will serve as the Parties' representatives as to technical and administrative matters. Except for quotes, orders, acknowledgments, invoices, payments and other usual and routine communications, all other notices required or permitted hereunder, including but not limited to notices of default or breach, shall be sent to such representatives at the addresses first set forth above and signed by an authorized representative of the sender. The address and contacts for either Party may be changed by written notice to the other. Such notices will be deemed to have been received (a) when hand delivered to such individuals by a representative of the sender; (b) three (3) days after having been sent postage prepaid, by registered or certified first class mail, return receipt requested; (c) when sent by electronic transmission, with written confirmation by the method of transmission; or (d) one (1) day after deposit with an overnight carrier, with written verification of delivery.

16.8. Publicity. Neither Party may use the name of the other Party in publicity releases or advertising or for other promotional purposes, without securing the prior written approval of the other Party hereto. This commitment does not apply to any correspondence, documents or publications utilized by either Party for distribution internally or to the addition of LICENSEE name to STARLIMS' published customer lists.

16.9. Severability. In the event of invalidity of any provision of this Agreement, the Parties agree that such invalidity will not affect the validity of the remaining portions of this Agreement.

16.10. Force Majeure. Neither Party will be liable for delay or failure in the performance of its contractual obligations arising from any one or more events that are beyond its reasonable control. Upon such delay or failure affecting one Party, that Party shall notify the other Party and use all reasonable endeavors to cure or alleviate the cause of such delay or failure with a view to resuming performance of its contractual obligations as soon as practicable.



16.11. Inconsistencies between Agreement and other documents. This Agreement will prevail in the case of any inconsistency between it and any other document issued by any Party. Any inconsistency or ambiguity in this Agreement and Appendices will be resolved by giving precedence in the following descending order: (1) This Agreement; (2) The Program Schedule(s); and (3) any appendix hereof. Notwithstanding the foregoing, provisions of this Agreement may be modified in a Program Schedule, solely for the purposes of that Program Schedule, but only by an express statement specifically identifying the provision(s) of this Agreement to be modified.

16.12. Export. LICENSEE shall not export or re-export the Program or any merged portion of the Program without the appropriate United States or foreign government license.

16.13. Intellectual Property. The Program and Documentation are protected by U.S. and international copyright laws and treaties. LICENSEE acknowledges that its possession, installation or use of the Program does not transfer to it any title to the intellectual property in the Program and that LICENSEE will not acquire any rights in the Program or Documentation except as expressly provided herein. LICENSEE acknowledges that title and full ownership rights to the Program and any Update or Upgrade, including all copyrights, patents, trade secret rights, trademarks and other intellectual property rights therein, will remain the exclusive property of STARLIMS or its suppliers. Use of any third party software provided to LICENSEE on a stand-alone basis in the framework hereof will be subject to the terms of the end user license agreement provided with such software. LICENSEE shall reproduce and include the copyright and other proprietary notices of STARLIMS and any supplier thereof specified by STARLIMS on and in any copies, including but not limited to partial, physical or electronic copies of the Program. STARLIMS reserves all rights not expressly granted herein. LICENSEE agrees it shall not, and shall not cause or permit any of its Affiliates, employees, contractors, agents or other third parties to reverse compile, reverse engineer, enhance, supplement, translate or disassemble the Program or otherwise reduce it, in whole or in part, to human readable form. LICENSEE shall promptly report any violation of this clause and shall take such further steps as may be reasonably requested to remedy any such violation and to prevent future violations. This section will survive any expiration, termination or cancellation of this Agreement.

16.14. Negotiated Terms. The Parties acknowledge that the terms and conditions of this Agreement are the result of negotiations between the Parties and that this Agreement will not be construed in favor or against any Party by reason of the extent to which any Party or its professional advisors participated in the preparation of this Agreement.

16.15. Third Party Beneficiaries. Except as expressly provided herein, nothing in this Agreement is intended to confer any rights or benefits to any third parties.

16.16. U.S. Government Restricted Rights. The Program and Documentation are provided with RESTRICTED RIGHTS. Use, duplication or disclosure by the government is subject to restrictions as set forth in subparagraph (c) (1) (ii) of the Rights in Technical Data and Computer Software clause CA 252.227-7013 or subparagraphs (a) through (d) of the Commercial Computer Software -Restrictive Rights clause CA 52.227-19, as reserved under the copyright laws of the United States. Manufacturer is STARLIMS CORPORATION, 4000 Hollywood Blvd, Suite 515, S. Hollywood, FL 33021.

16.17. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same agreement. Each Party acknowledges that an original signature or a copy thereof transmitted by facsimile shall constitute an original signature for purposes of this Agreement.

[remainder of page intentionally left blank]

**Signature page**

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and do each hereby warrant and represent that its signatory, whose signature appears below, has been and is on the date of this Agreement duly authorized by all necessary and appropriate corporate action to execute this Agreement. This Agreement shall become effective on the Effective Date first written above.

LICENSEE	STARLIMS CORPORATION
<hr/>	<hr/>
<hr/> Signature	<hr/> Signature
<hr/>	<hr/>
<hr/> Name	<hr/> Name
<hr/>	<hr/>
<hr/> Title	<hr/> Title



Appendix A - Program Schedule



Appendix B – ESCROW AGREEMENT

(Electronic copy of original agreement on file)

RESTATED AND AMENDED ESCROW AGREEMENT FOR SOFTWARE PROGRAM SOURCE CODE AND OTHER MATERIAL

This Escrow Agreement (the "Agreement") is entered into and effective as of May 15, 2007 (the "Effective Date") by and between Lerner Greenberg Stermer LLP ("Escrow Agent") located at 2445 Hollywood Boulevard, P.O. Box 2480, Hollywood, Florida 33020 and STARLIMS Corporation ("STARLIMS") located at 4000 Hollywood Boulevard, Suite 515 South, Hollywood, Florida 33021.

Recitals

WHEREAS, the parties to this Agreement desire to continue their relationship as Escrow Agent and STARLIMS and to amend the previous Escrow Agreement dated January 15, 2004, as amended;

WHEREAS, STARLIMS wishes to continue to have Escrow Agent store certain materials deposited by it with Escrow Agent;

WHEREAS, Escrow Agent shall continue to store such materials and to make such materials accessible to licensees of STARLIMS that have executed a Participating User Agreement, as specified below;

NOW THEREFORE, in consideration of the premises, mutual covenants and agreements herein and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged by Escrow Agent and STARLIMS, Escrow Agent and STARLIMS agree as follows:

1. *Explanation and Intent.* The foregoing recitals are true and correct and are incorporated herein by reference.

2. *Definitions.* For purposes of this Agreement, the following definitions shall apply:

(a) "Materials". Shall refer to any source code, and notes, flow charts and explanations, instructional, and other materials, in written or electronic medium, furnished by STARLIMS to Escrow Agent to be held under this Agreement and any copies of such materials made by Escrow Agent. From time to time, Escrow Agent will provide STARLIMS with a list of Materials in its possession.

Escrow Agent shall have the right but not the obligation to make copies of any Materials and will notify STARLIMS if it determines that additional copies of Material is/are required for purposes of this Agreement. STARLIMS shall identify in writing any further Material being provided to Escrow Agent for purposes of the Agreement and any previously provided Material that may be discarded or destroyed. Escrow Agent will notify STARLIMS of any Material that it destroys, discards, or returns to STARLIMS.

(b) "Licensee". Shall refer to a STARLIMS licensee that has executed a previous Participating User Agreement or a Participating User Agreement in the form attached hereto as Addendum A or as otherwise agreed to in writing by Escrow Agent and STARLIMS.

3. *Term and Renewal.* This Agreement shall commence on the Effective Date and continue for a period of five (5) years unless sooner terminated as provided for in Paragraph 9 herein below and may be renewed in writing as desired by both parties.

4. *Purpose of the Agreement.* This Agreement shall continue the existing arrangement, as amended herein, under which:



- (a) Escrow Agent shall store certain Materials deposited with it by STARLIMS, and Escrow Agent may from time to time provide STARLIMS with an inventory of Materials in its possession; and
- (b) a Licensee shall be able to secure from Escrow Agent access to those Materials enumerated in its Participating User Agreement, a copy of which shall be provided by STARLIMS, and stored under this Agreement, under the circumstances, and subject to the terms and conditions specified below.
- (c) Escrow Agent understands (i) that STARLIMS claims that Material contains information that is trade secrets of itself or another person which STARLIMS is authorized to provide to Escrow Agent hereunder and (ii) that STARLIMS alleges that Material is intended to constitute items useful to persons reasonably skilled in computer technology for providing maintenance support for computer software programs STARLIMS has licensed to its Licensees, in the event that any of these Licensees becomes entitled to receive it as provided for in this Agreement.
- (d) From time to time during the term of this Agreement, STARLIMS shall furnish then-current Material to Escrow Agent that is either new Material or in substitution for Material in Escrow Agent's possession, and in so doing will expressly specify in writing the Material that the new Material is being substituted for and whether or not the Material can be destroyed or discarded, and STARLIMS, acting through persons designated in writing identified by STARLIMS, may remove any Material from Escrow Agent's possession that ceases to be so useful. Escrow Agent shall not remove any Material in its possession, unless specifically requested in writing by STARLIMS to do so. Escrow Agent is not responsible for enforcing any obligation STARLIMS may have undertaken with its Licensees to furnish then-current Material. Escrow Agent's sole responsibility shall be to store materials and make materials available to Licensees in accordance with the terms of this Agreement.
- (e) STARLIMS acknowledges that Escrow Agent does not intend, and is not expected, to open any package represented to contain Material, except in the circumstances identified in paragraph 7, below, and hence, is not responsible for determining whether the Material is so useful and has no obligation to enforce STARLIMS's duties under this Agreement.
- (f) STARLIMS shall retain copies of Material held in Escrow Agent's possession and shall furnish replacements of Material to Escrow Agent promptly after each written request and without charge.

5. *Termination of Licensee's Rights.* A Licensee shall cease to be entitled to secure copies of Material from Escrow Agent pursuant to the provisions of this Agreement, after both of the following have occurred:

- (a) Escrow Agent receives a notice from STARLIMS that the license agreement between STARLIMS and Licensee has been terminated. Such notice shall be given in writing pursuant to the terms of paragraph 11(a) of this Agreement; and
- (b) Licensee either acknowledges such termination to Escrow Agent in writing, or fails to notify Escrow Agent in writing that the license agreement has not been terminated, within fifteen (15) calendar days after receipt by Licensee of a copy of STARLIMS's notice to Escrow Agent of said termination (such notice to be sent by STARLIMS to Licensee by registered or certified mail, postage prepaid, including proof of receipt by Licensee).

6. *Treatment of Material.*

- (a) Escrow Agent shall not furnish Material to any person other than STARLIMS, a Licensee so-entitled, or another person that is a party to an agreement similar to this Agreement, except pursuant to a final non-appealable arbitration decision or a final non-appealable order of a court and in such event shall furnish Material only pursuant to the provisions of this Agreement, or to such final non-appealable arbitration decision or court order.
- (b) Escrow Agent shall protect Material from transfer to unauthorized persons by the use of the same measures it uses to protect its own documents of equivalent sensitivity from such transfer, and shall not make any use of the Materials without the express written approval of STARLIMS as provided for in this Agreement.



7. Furnishing Material to Licensees.

Escrow Agent will furnish material to a Licensee in accordance with the following:

(a) Upon receipt of a copy of a fully executed Participating User Agreement accompanied by an affidavit of an officer of the Licensee ("Licensee's Affidavit") stating that STARLIMS failed, without cause on the Licensee's part, to furnish the Licensee with maintenance support to the extent provided for in an applicable license agreement with STARLIMS or to render other performance under circumstances that entitle the Licensee, as provided for therein, to receive a copy of certain designated Material, Escrow Agent shall send a copy of the Licensee's Affidavit to STARLIMS.

(b) (i) Unless, within fifteen (15) calendar days after STARLIMS's receipt of that copy (the "Fifteen-day Period"), Escrow Agent receives an affidavit of STARLIMS or an authorized representative of STARLIMS ("STARLIMS's Affidavit") disputing the facts set forth in the Licensee's Affidavit, promptly after the expiration of the Fifteen-day Period, Escrow Agent shall furnish copies of the applicable Material in its possession, to the extent copies thereof are available, to the Licensee. STARLIMS shall promptly provide a copy or additional copies of Materials as requested by Escrow Agent to enable Escrow Agent to fulfill its obligations under this Agreement.

(ii) The Licensee shall use, and protect, the Material it so receives in accordance with the provisions of the license agreement between it and STARLIMS. Escrow Agent shall not be in any way responsible to enforce authorized use and protection of such Material by the Licensee.

(c) If, during the Fifteen-day Period, Escrow Agent receives STARLIMS's Affidavit disputing the Licensee's Affidavit, or setting forth additional facts (for example, the Licensee's breach of a material obligation under its license agreement with STARLIMS) which, in STARLIMS's sole judgment, terminate the Licensee's right to receive Material, Escrow Agent shall furnish a copy of STARLIMS's Affidavit to the Licensee and shall not furnish copies of any Material to the Licensee except pursuant to a final non-appealable arbitration decision, or a certified copy of a final non-appealable court order, directing it to do so.

8. Compensation of Escrow Agent. All fees, expenses, and charges of Escrow Agent in connection with the services it performs under the Agreement shall be paid on an annual basis or as otherwise agreed to in writing between the parties hereto. Escrow Agent shall bill STARLIMS accordingly. STARLIMS and Escrow Agent acknowledge that such fees, expenses, and charges are currently set forth in an Engagement Agreement between STARLIMS and Escrow Agent.

9. Discharge of Escrow Agent.

(a) Escrow Agent shall be deemed to be discharged in the event that STARLIMS removes all Material from its premises hereunder or Escrow Agent no longer has any Material in its possession.

(b) Escrow Agent may resign as such, acting entirely in its sole discretion, by giving STARLIMS and all Licensees previously made known to Escrow Agent at least thirty (30) calendar days prior notice. Subject to the provisions of paragraph 7 above, promptly after that resignation becomes effective, Escrow Agent shall furnish to STARLIMS all Materials in its possession.

(c) Whenever Escrow Agent ceases to be such, it shall send a notice to that effect promptly to all Licensees. In such event, this Agreement shall be automatically terminated as of the date Escrow Agent sends such notice to Licensees.

10. Indemnity and Liability of Escrow Agent.

(a) STARLIMS shall indemnify Escrow Agent for, and hold it harmless against, any loss, damages, cost, expense, or liability it incurs or suffers in connection with, or as a result of, Escrow Agent's activities under this Agreement, except in the event as a result of Escrow Agent's gross negligence or willful misconduct and in such event only in excess of the limit of Escrow Agent's applicable liability insurance.



(b) Escrow Agent shall not be liable to STARLIMS, any Licensee, or any other person for any harm that results from any act or omission of Escrow Agent in connection with its serving as Escrow Agent hereunder, except in the case of Escrow Agent's gross negligence or willful misconduct and in such event only to the limit of Escrow Agent's applicable liability insurance.. Without derogating from the preceding sentence, Escrow Agent may act in reliance upon any instruction, or signature believed to be genuine and may assume that any person who purports to give any writing, notice, request, advice, or instruction in connection with this Agreement has been authorized to do so, and Escrow Agent may act upon advice of counsel with respect to any questions that arise under this Agreement.

(c) Escrow Agent will notify STARLIMS within a reasonable amount of time of any decrease in its current level of professional liability coverage (i.e. up to \$2 million) during the term of this Agreement.

11. *Miscellaneous.*

(a) *Notices.* All notices hereunder shall be deemed given (i) when delivered personally to the chief executive officer (or managing partner, as the case may be) of the party being notified, or (ii) on the third business day after being sent by registered or certified mail, postage prepaid, or by facsimile, to the addresses appearing below each party's name at the end of the Agreement or as set forth in a written change of address delivered to the other party.

(b) *Non-Waiver.* No delay or failure by either party to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

(c) *Authority to Enter Agreement.* The parties, and/or their representatives, signing this Agreement hereby acknowledge and represent that they have full authority to sign, and enter into, this Agreement.

(d) *Assignment.* This Agreement shall not be assigned by either party without the written consent of the other party; such consent shall not be unreasonably withheld.

(e) *Entire Agreement; Modification.* This Agreement sets forth the entire agreement and understanding between the parties and supersedes all prior agreements and/or understandings. Specifically, this Agreement supersedes and replaces the Escrow Agreement dated January 15, 2004 and any amendments thereto which are hereby terminated as of the Effective Date. This Agreement cannot be amended, modified or changed except by a written instrument signed by duly-authorized representatives of both parties.

(f) *Governing Law and Venue.* Any dispute arising from the Contract must 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

(g) *Severability.* If any part, provision, covenant or condition of this Agreement is held to be invalid, illegal, void or enforceable in any respect, such invalidity, illegality, voidness or unenforceability will not affect any other part of this Agreement, and this Agreement shall be construed as if such invalid, illegal, void or unenforceable part, provision, covenant or condition had never been contained herein.

(h) *Copies to Licensees.* STARLIMS shall provide a copy of this Agreement to all Licensees, including but not limited to those who previously signed a Participating User Agreement.

IN WITNESS WHEREOF, the parties have duly executed this Restated and Amended Escrow Agreement For Software Program Source Code And Other Material in duplicate originals as of the indicated date and year above.



**STARLIMS
Corporation**

4000 Hollywood Blvd.
Suite 515 South
Hollywood, Florida, 33021
Fax: 1-954-964-8113

**Lerner Greenberg Stemer LLP
Patent Attorneys and Attorneys At Law**

Mailing Address:
Post Office Box 2480
Hollywood, FL 33022-2480
Fax: 1-954-925-1101

(Signature)

Managing Partner
(Signature)

**ADDENDUM A PARTICIPATING USER AGREEMENT**

The undersigned ("Licensee") acknowledges and agrees as follows:

1. Licensee acknowledges that it has received a copy of the Restated and Amended Escrow Agreement for Software Program Source Code and Other Material ("the Agreement") entered into on May 15, 2007, between Lerner Greenberg Stemer LLP ("Escrow Agent") and STARLIMS Corporation ("STARLIMS"); that it has read the Agreement; and that it agrees to be bound by and comply with all the applicable terms and conditions of that Agreement, as applicable, as if it were a party to it.

2. The Material to which Licensee can have access, pursuant to the Agreement, is the following to the extent that such Material is in the possession of Escrow Agent:

3. Licensee expressly acknowledges and agrees that Escrow Agent shall not be liable to it for any harm, loss or damage or liability, including but not limited to consequential harm, loss and damage, that results, directly or indirectly, from any act or omission of Escrow Agent in connection with its function as Escrow Agent, except if a result of Escrow Agent's willful misconduct or gross negligence, as defined under the laws of the State of Florida without reference to its conflict of law rules.

Licensee's COMPANY NAME

By:_____

Title:_____

Date:_____

Signature



Appendix C - STARLIMS SOFTWARE MAINTENANCE PLAN

The purpose of this document is to describe the services provided under the annually renewable STARLIMS Software Maintenance Plan (SMP) provided by the STARLIMS Software Support organization for software covered by this SMP.

There are four main features in the STARLIMS software application Software Maintenance Plan:

1. Access to Telephone Hotline Services.
2. New Revisions, Software Updates and Maintenance Releases.
3. Access to the Technical Support Intranet Website for Information Searches and Patch Downloads.
4. Submission and Summaries of Software Investigation and Defect Reports.

1. Access to our Technical Support Hotline

The STARLIMS staff is available Monday through Friday from 8:00 a.m. to 5.30 p.m. Central time, excluding holidays, to answer questions related to the use of the licensed software covered by this SMP. Your organization may assign two trained and qualified technical liaisons who will be your designated personnel to communicate with the STARLIMS Support Staff. These liaison personnel should have completed all related software application training courses, be familiar with the STARLIMS applications and installation, and have some knowledge of computer systems, networking and the Oracle or SQL*Server database.

The STARLIMS Support staff will seek to respond to your questions or help in the resolution of problems by using the following basic procedure:

1. Customers may call, fax or e-mail the STARLIMS Support Staff with an inquiry. The caller must identify himself or herself in the communication with his or her name, company name, phone number and site ID number.
2. A call is opened in the customer call database and a case number is assigned.
3. The question may be answered and responded to immediately after receipt of the inquiry.
4. If the question is not resolved immediately, research is performed and the customer is given return communication with the answer to the inquiry, if an answer has been obtained.
5. If the research does not produce a resolution, and the problem is believed to be caused by application error*, STARLIMS Support representative will attempt to reproduce the problem on a similar in-house installation.
6. If the problem cannot be reproduced on an in-house system, STARLIMS Support Staff will seek to review the specifics of the customer's particular installation procedures, versions of other software, special applications, etc., and use reasonable efforts to determine what is different. This information will be used in an attempt to resolve the problem.
7. If a problem believed to be caused by program error has not been resolved, STARLIMS Support representatives may request, and with the cooperation, knowledge and assistance of the customer, remotely access the customer's system if possible. Firsthand observation by a Support representative through such remote access will then be used to try to resolve the problem. If a resolution is still not reached, the Support representative will seek to address the problem with the customer with the assistance of personnel from STARLIMS professional services or software development group.

All inquiries are logged into the Support database and tracked. This information is used to check the status of the call and to supplement an information lookup table. The information is used by the Support organization to solve similar problems that may be logged, as well as act as a guide to what items may need supplemental documentation. Some of the information, if useful, is distributed to our customers without specific mention of customer identity.

If at any time in this process a Software Investigation or Defect Report is submitted involving a application error and the application error is regarded as critical* and the problem is still unresolved, the following steps may be taken:



1. STARLIMS Support Staff and the customer will each assign a person to work on the problem utilizing commercially reasonable efforts to attempt to resolve the problem. This may require remote access to the customer's system running the application in question.
2. If after applying these efforts, a resolution is still not available; a STARLIMS Support representative may visit the customer's site to attempt to resolve the problem.
3. If the site visit does not produce a resolution, a STARLIMS support representative may visit the customer's site to resolve the problem with the cooperation, knowledge and assistance of a customer representative.

If the resolution to the problem requires a change to the application code, the STARLIMS Project Team will make a determination as to whether to implement those changes in the next revision.

A critical application error that requires code change may be resolved in the form of a patch if feasible.

*A application error means a code in the licensed application that produces results or actions that are reproducible by STARLIMS, that are inconsistent with those described in the documentation for licensed applications, and that materially adversely impacts operational performance or functional performance. **A application error is regarded as critical (a "Critical Application Error") if at least one of the following applies:**

- The total software system running the STARLIMS application is down.
- The software system cannot be used because a vital function cannot be used and no work-around exists.
- The use of the system will endanger data integrity or result in loss of data.

Our Support personnel can best provide you with assistance if you are using the most current version of the software and gather pertinent information related to the inquiry beforehand. Since we often use remote access via the Internet to take a first hand look at a problem, we ask that the customer insure that remote access is obtainable. We also strongly recommend that you always maintain recent backups of your system. These actions along with the cooperation of your qualified staff will help us provide timely answers to questions and quick resolutions to problems.

NOTE: Problem troubleshooting and technical assistance for customer initiated Installation, Migration, Upgrade or New Instance creation is outside the scope of normal Technical Support Hotline. Dedicated assistance may be necessary and can be requested on a for-fee-consulting basis. See the **Additional Services** section below.

2. New Revisions, Software Updates, Patches and Maintenance Releases

During the SMP period, any new maintenance releases or software patches that are created are distributed at no extra charge. These releases may contain bug fixes as well as enhancements to the product. Support of older software versions may be affected by the release of new revisions of the software.

An update may include software shipped on appropriate media and with accompanying documentation. In most cases, complete update procedure manuals and/or release notes will also be provided. Whenever possible maintenance releases and software patches will be made available via electronic means (Website).

3. Support Internet Website for Information Searches

The STARLIMS Support organization maintains a Support Intranet Website for customers to search for information pertaining to STARLIMS software products and services. Technical publications, newsletters, FAQs, training schedules and other important notifications are made available for customer access through this web site. Information available on the web site is checked and updated periodically. Functionality and features of this web site may be modified and/or enhanced on a periodic basis. A valid SMP is required for access to this site. Registration is done through the support administrator.

4. Software Defect and Investigation Request Submittal and Reports

STARLIMS collects, processes and makes available reports of anomalies, problems or non-conformances in its applications software that are thought to be due to a need to change the application code. A specialized



Defect Investigation on-line form has been developed to submit reports of perceived anomalies, problems or non-conformances, and requests for changes to the applications software. These may also include requests for enhancements. Each customer covered by a SMP has the right to submit defect reports. Defect Investigation reports are also submitted from all the STARLIMS worldwide support and service organizations.

Requests are entered into the defect database and are reviewed by the Support, Engineering, and Professional Services organizations. The database contains information describing the problem or request for enhancement as well as follow-up responses and final resolutions. Any work-around that is available is also documented.

This information, along with details of revisions, known existing problems for the revision, and guidance on problem avoidance, is distributed to customers under a SMP on a regular basis.

Customer Responsibilities:

Coverage and Payments

If a customer has purchased a SMP, the initial term of the SMP begins 90 days after customer lab goes into production. Plans are sold in not less than one-year periods, and are renewable at the then current list price, on or before expiration. Quotes are sent, and Purchase Orders or other forms of payment must be received before the start of a Plan year for the annual Fee; otherwise loss of SMP coverage and services will result. Lack of continuous coverage will result in a surcharge before reinstatement.

Maintain Technical Capabilities of Available Technical Liaisons

It is essential that all customers maintain two competent technical liaisons to interface with the STARLIMS Technical Support group.

If at any time the customer's designated technical contacts are not available to initiate a technical inquiry, a substitute with adequate technical qualifications may fill in as necessary. In the event that a change of a customer's designated technical contact becomes necessary, it is the customer's responsibility to provide an adequate replacement liaison. Liaisons must be trained in the necessary applications software training courses, be familiar with the software applications and installation, and have some knowledge of computer systems, networking and relational databases. STARLIMS' obligation to provide the SMP described in Section 1 above is conditioned upon the customer having qualified designated contacts.

Maintain Available Remote Diagnostic Capabilities

It is strongly advised that all customers provide a means for the STARLIMS Support group to provide remote diagnostic capabilities. This is usually accomplished through an available internet connection to the customer's system. In many cases a VPN connection is used.

STARLIMS is not responsible to provide a remote connection to the customer's system if the system is not equipped for such a connection. STARLIMS will make commercially reasonable efforts to assist the customer in configuring such a connection in the event it becomes necessary to diagnose an application related error. Anything more than these efforts, or any on-site services rendered by STARLIMS to address this kind of configuration must be handled through additional services.

Backup and Recovery

It is essential that all customers routinely backup and perform an integrity check on their application's database, and that the procedures to accomplish this have been recovery tested.

STARLIMS is not responsible for lost data. However, STARLIMS will make commercially reasonable efforts from its offices to assist in the recovery of the system and of data in the event of a system failure. Anything more than these efforts, or any on-site services rendered by STARLIMS to address this kind of failure, must be handled through procurement of additional services.

Hardware and Operating System Maintenance

It is essential that all customers maintain adequate support coverage for both their hardware and operating system software.

STARLIMS SMP does not provide Operating System software or hardware problem support or updates to customer's Hardware or Operating Systems regardless of how or where the system was acquired. Customers must maintain the necessary vendor services in order to keep their software systems in proper working order.



and under the recommended hardware and software configurations. STARLIMS Support will provide hardware or operating system configuration assistance on a commercially reasonable efforts basis.

Support for Custom or Non-standard Application Software

Customers may for various reasons create, modify or contract to create or modify reports, forms, database tables, application interfaces, and other aspects of the standard software.

The STARLIMS standard SMP does not provide coverage for support of such modifications or customizations that are not done by STARLIMS staff. Customers are responsible for development, testing, and documentation and to provide adequate safeguards to insure the integrity of the basic software and resultant data if modified directly by the customer or customer contracted third party. STARLIMS SMP does not provide coverage for third party software products, including Oracle or Microsoft products even if the software is sublicensed to customer by STARLIMS.

Additional Services

In the event customers require services that are outside the scope of the SMP, they may request dedicated time on a separately priced consulting basis by contacting their STARLIMS sales representative, or STARLIMS Support administration or management. Examples of these circumstances and services include:

- Performance tuning
- Installation/Update/Data Migration services
- Building databases or additional database instances
- Implementation strategies
- Backup, recovery and integrity checking strategies, procedures and code.
- System design processes
- Out of standard hours, enhanced or on-call support arrangements

STARLIMS reserves the right to make changes to this SMP, which may become effective on any annual renewal date. If any changes are made, SMP customers will be notified.