

CONTRACT FOR LEAVE ACCOUNTING SYSTEM & MD TIME SERVICES

THIS CONTRACT is made this 4th day of February, 2008 by and between **Stephenson Financial Systems, Inc.** and the **State of Maryland, acting through the Department of Budget and Management.**

IN CONSIDERATION of the promises and the covenants contained herein, the adequacy and sufficiency of which are duly acknowledged by the parties, the parties agree as follows:

1. Definitions

In this Contract, the following words have the meanings indicated:

1.1 “Contract” means this Contract for software services for Maryland’s Leave Accounting System and MD Time.

1.4 “Contractor” means Stephenson Financial Systems, Inc., whose principal business address is 6214 Split Creek Lane, Alexandria, VA 22312.

1.5 “Contract Manager” means the individual identified in section 32.2 of this Contract or a successor designated by the Department.

1.6 “Department” means the Maryland Department of Budget and Management.

1.7 “Procurement Officer” means the individual identified in section 32.2 of this Contract or a successor designated by the Department.

1.8 “Scope of Work” means Exhibit A – Scope of Work - Support Services for Maryland Timekeeping (MDTime) Leave Accounting System (LAS), dated January 18, 2008.

1.9 “Software” collectively means the Leave Accounting System Software (“LAS”) and MD Time Software (“MD Time”) and all corrections, modifications, enhancements, updates, revisions, versions, copies, and related documentation relating thereto, whether in machine-readable or visually-readable form, existing as of the date, and developed during the term, of this Contract.

1.10 “State” means the State of Maryland.

2. Scope of Work

2.1 The Contractor shall provide technical support services for LAS and MD Time (collectively, the “Services”). These Services shall be provided in accordance with:

2.1.1 this Contract; and,

2.1.2 the following exhibits, which are attached and incorporated herein by reference:

- Exhibit A – Scope of Work
- Exhibit B – Bid/Proposal Affidavit
- Exhibit C - Contract Affidavit.

- 2.2 If there are any inconsistencies between this Contract and Exhibits A, B and C, the terms of this Contract shall control. If there is any conflict among the Exhibits, Exhibit A shall control.
- 2.3 The Procurement Officer may, at any time, by written order, make changes in the work within the general scope of the Contract. No other order, statement or conduct of the Procurement Officer or any other person shall be treated as a change or entitle the Contractor to an equitable adjustment under this section. Except as otherwise provided in this Contract, if any change under this section causes an increase or decrease in the Contractor's cost of, or the time required for, the performance of any part of the work, whether or not changed by the order, an equitable adjustment in the Contract price shall be made and the Contract modified in writing accordingly. The Contractor must assert in writing its right to an adjustment under this section within thirty (30) days of receipt of written change order and shall include a written statement setting forth the nature and cost of such claim. No claim by the Contractor shall be allowed if asserted after final payment under this Contract. Failure to agree to an adjustment under this section shall be a dispute under the Disputes clause of this Contract. Nothing in this section shall excuse the Contractor from proceeding with the Contract as changed.

3. Time for Performance.

Unless terminated earlier as provided in this Contract, the term of this Contract shall begin on or about February 1, 2008 and shall end on January 31, 2010. At the sole option of the State, this Contract may be extended for two (2) additional, one (1) year option periods for a total contract period ending January 31, 2012.

4. Consideration and Payment

- 4.1 In consideration of the satisfactory performance of the requirements of this Contract, the State shall pay the Contractor in accordance with the rates established in Contractor's proposal. Payment to the Contractor pursuant to this Contract shall be at a not to exceed amount of \$1,315,500. The Contractor shall not receive any other payment for the Services.
- 4.2 Invoices must be provided in the format and on the schedule identified in the RFP. Each invoice must reflect the Contractor's federal tax identification number, which is [REDACTED]. The Contractor's eMarylandMarketplace identification number is [REDACTED]. Payments to the Contractor pursuant to this Contract shall be made no later than 30 days after the State's receipt of a proper invoice from the Contractor. Charges for late payment of invoices, other than as prescribed by Title 15, Subtitle 1, of the State Finance and Procurement Article, Annotated Code of Maryland, are prohibited. The final payment under this Contract will not be made until after certification is received from the Comptroller of the State that all taxes have been paid.
- 4.3 In addition to any other available remedies, if, in the opinion of the Procurement Officer, the Contractor fails to perform in a satisfactory and timely manner, the Procurement Officer may refuse or limit approval of any invoice for payment, and may cause payments to the Contractor to be reduced or withheld until such time as the Contractor meets performance standards as established by the Procurement Officer.

- 4.4 Electronic funds transfer will be used by the State to pay the Contractor for this contract and any other State payments due Contractor unless the State's Comptroller's Office grants the Contractor an exemption.

5. Rights to Records

- 5.1 The Contractor agrees that all documents and materials, including but not limited to, reports, drawings, studies, specifications, estimates, tests, maps, photographs, designs, software, graphics, mechanical, artwork, computations and data prepared by or for the Contractor for purposes of this Contract shall become and remain the sole and exclusive property of the State and shall be available to the Department at any time. The Department shall have the right to use the same without restriction and without compensation to the Contractor other than that specifically provided by this Contract.
- 5.2 The Contractor agrees that at all times during the term of this Contract and thereafter, the works created and services performed under this Contract shall be "works made for hire" as that term is interpreted under U.S. copyright law. To the extent that any products created under this Contract are not works for hire for the Department, the Contractor hereby relinquishes, transfers, and assigns to the State all of its rights, title, and interest (including all intellectual property rights) to all such products created under this Contract, and will cooperate reasonably with the State in effectuating and registering any necessary assignments.
- 5.3 The Contractor shall report to the Department, promptly and in written detail, each notice or claim of copyright infringement received by the Contractor with respect to all data delivered under this Contract.
- 5.4 The Contractor shall not affix any restrictive markings upon any data and if such markings are affixed, the Department shall have the right at any time to modify, remove, obliterate, or ignore such warnings.

6. Confidentiality

Subject to the Maryland Public Information Act and any other applicable laws, all confidential or proprietary information and documentation relating to either party (including without limitation, any information or data stored within the Contractor's computer systems) shall be held in absolute confidence by the other party. Each party shall, however, be permitted to disclose relevant confidential information to its officers, agents and employees to the extent that such disclosure is necessary for the performance of their duties under this Contract, provided the data may be collected, used, disclosed, stored and disseminated only as provided by and consistent with the law. The provisions of this section shall not apply to information that (a) is lawfully in the public domain; (b) has been independently developed by the other party without violation of this Contract; (c) was already in the possession of such party; (d) was supplied to such party by a third party lawfully in possession thereof and legally permitted to further disclose the information; or (e) which such party is required to disclose by law.

7. Non-Hiring of Employees

No official or employee of the State of Maryland or any unit thereof, as those terms are defined under State Government Article, §15-102, Annotated Code of Maryland, whose duties as such official or employee include matters relating to or affecting the subject matter of this Contract,

shall during the pendency and term of this Contract and while serving as an official or employee of the State shall become or be an employee of the Contractor or any entity that is a subcontractor on this Contract.

8. Exclusive Use and Ownership

- 8.1 **Ownership and Use.** The State is the sole and exclusive owner of the Software and all intellectual property relating thereto including but not limited to copyright, patent and trademark registrations, and Contractor hereby transfers to the State any and all rights it may have relating to the Software. The State shall have the exclusive right to use, duplicate, and disclose any data, information, documents, records, or results, in whole or in part, in any manner for any purpose whatsoever, that may be created or generated by the Contractor in connection with the Software and this Contract.
- 8.2 **Assignment of Rights.** Contractor agrees to assign, and upon creation of such work automatically assigns, to the Department, its successors and assigns, without additional consideration, ownership of all intellectual property rights in the Software, insofar as any such work or process, by operation of law, may not be considered work made for hire by Contractor for the Department or is not otherwise owned in its entirety by the Department.
- 8.3 **Documentation.** Contractor shall regularly and timely furnish to the Contract Manager copies of any applicable source code, design tools, drawings, plans, specifications, documents, diagrams and data including but not limited to data flow diagrams, entity relationship diagrams, work flow diagrams, window layouts, report layouts, process flows, interface designs, logical and physical database design diagram, technical and user manuals, data dictionary, and a copy of the development software used to write and compile the source code, developed or produced in connection with the Software, in forms pre-approved by the Contract Manager.
- 8.4 **Limitations.** Contractor shall not use, sell, sub-lease, assign, give, or otherwise transfer to any third party any other information or material provided to Contractor by the Department or developed by Contractor relating to the Software, except that Contractor may provide said information to any of its officers, employees and subcontractors who Contractor requires to have said information for fulfillment of Contractor's obligations hereunder. Each officer, employee and/or subcontractor to whom any of the Department's confidential information is to be disclosed shall be advised by Contractor of and bound by the confidentiality and intellectual property terms of this Contract.
- 8.5 **Confidentiality.** Contractor shall at all times treat all information and material relating to the Software in accordance with the confidentiality provision of this Contract.

9. Patents, Copyrights, Intellectual Property

- 9.1. If the Contractor furnishes any design, device, material, process, or other item, which is covered by a patent, trademark or service mark, or copyright or which is proprietary to or a trade secret of another, the Contractor shall obtain the necessary permission or license to permit the State to use such item or items.
- 9.2. The Contractor will defend or settle, at its own expense, any claim or suit against the State alleging that any such item furnished by the Contractor infringes any patent,

trademark, service mark, copyright, or trade secret. If a third party claims that a product infringes that party's patent, trademark, service mark, trade secret, or copyright, the Contractor will defend the State against that claim at Contractor's expense and will pay all damages, costs and attorney fees that a court finally awards, provided the State (i) promptly notifies the Contractor in writing of the claim; and (ii) allows Contractor to control and cooperates with Contractor in, the defense and any related settlement negotiations. The obligations of this paragraph are in addition to those stated in Section 9.3 below.

9.3. If any products furnished by the Contractor become, or in the Contractor's opinion are likely to become, the subject of a claim of infringement, the Contractor will, at its option and expense: a) procure for the State the right to continue using the applicable item, b) replace the product with a non-infringing product substantially complying with the item's specifications, or c) modify the item so that it becomes non-infringing and performs in a substantially similar manner to the original item.

10. Loss of Data

In the event of loss of any State data or records where such loss is due to the intentional act, omission, or negligence of the Contractor or any of its subcontractors or agents, the Contractor shall be responsible for recreating such lost data in the manner and on the schedule set by the Contract Manager. The Contractor shall ensure that all data is backed up and is recoverable by the Contractor.

11. Disputes

This Contract shall be subject to the provisions of Title 15, Subtitle 2, of the State Finance and Procurement Article of the Annotated Code of Maryland, as from time to time amended, and COMAR 21.10 (Administrative and Civil Remedies). Pending resolution of a claim, the Contractor shall proceed diligently with the performance of the Contract in accordance with the Procurement Officer's decision. Unless a lesser period is provided by applicable statute, regulation, or the Contract, the Contractor must file a written notice of claim with the Procurement Officer within 30 days after the basis for the claim is known or should have been known, whichever is earlier. Contemporaneously with or within 30 days of the filing of a notice of claim, but no later than the date of final payment under the Contract, the Contractor must submit to the Procurement Officer its written claim containing the information specified in COMAR 21.10.04.02.

12. Maryland Law

This Contract shall be construed, interpreted, and enforced according to the laws of the State of Maryland. The Maryland Uniform Computer Information Transactions Act (Commercial Law Article, Title 22 of the Annotated Code of Maryland) does not apply to this Contract, the Software, or any software license acquired hereunder. Any and all references to the Annotated Code of Maryland contained in this Contract shall be construed to refer to such Code sections as from time to time amended.

13. Nondiscrimination in Employment

The Contractor agrees: (a) not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, marital status, national origin,

ancestry, or disability of a qualified person with a disability; (b) to include a provision similar to that contained in subsection (a), above, in any underlying subcontract except a subcontract for standard commercial supplies or raw materials; and (c) to post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.

14. Contingent Fee Prohibition

The Contractor warrants that it has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee or bona fide agent working for the Contractor to solicit or secure this Contract, and that it has not paid or agreed to pay any person, partnership, corporation or other entity, other than a bona fide employee or bona fide agent, any fee or other consideration contingent on the making of this Contract.

15. Nonavailability of Funding

If the General Assembly fails to appropriate funds or if funds are not otherwise made available for continued performance for any fiscal period of this Contract succeeding the first fiscal period, this Contract shall be canceled automatically as of the beginning of the fiscal year for which funds were not appropriated or otherwise made available; provided, however, that this will not affect either the State's rights or the Contractor's rights under any termination clause in this Contract. The effect of termination of the Contract hereunder will be to discharge both the Contractor and the State of Maryland from future performance of the Contract, but not from their rights and obligations existing at the time of termination. The Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the Contract. The State shall notify the Contractor as soon as it has knowledge that funds may not be available for the continuation of this Contract for each succeeding fiscal period beyond the first.

16. Termination for Cause

If the Contractor fails to fulfill its obligations under this Contract properly and on time, or otherwise violates any provision of the Contract, the State may terminate the Contract by written notice to the Contractor. The notice shall specify the acts or omissions relied upon as cause for termination. All finished or unfinished work provided by the Contractor shall, at the State's option, become the State's property. The State of Maryland shall pay the Contractor fair and equitable compensation for satisfactory performance prior to receipt of notice of termination, less the amount of damages caused by the Contractor's breach. If the damages are more than the compensation payable to the Contractor, the Contractor will remain liable after termination and the State can affirmatively collect damages. Termination hereunder, including the termination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B.

17. Termination for Convenience

The performance of work under this Contract may be terminated by the State in accordance with this clause in whole, or from time to time in part, whenever the State shall determine that such termination is in the best interest of the State. The State will pay all reasonable costs associated with this Contract that the Contractor has incurred up to the date of termination, and all reasonable costs associated with termination of the Contract. However, the Contractor shall not be reimbursed for any anticipatory profits that have not been earned up to the date of termination.

Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.12 (A)(2).

18. Delays and Extensions of Time

The Contractor agrees to perform this Contract continuously and diligently. No charges or claims for damages shall be made by the Contractor for any delays or hindrances from any cause whatsoever during the progress of any portion of the work specified in this Contract. Time extensions will be granted only for excusable delays that arise from unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including but not restricted to acts of God, acts of the public enemy, acts of the State in either its sovereign or contractual capacity, acts of another Contractor in the performance of a contract with the State, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or delays of subcontractors or suppliers arising from unforeseeable causes beyond the control and without the fault or negligence of either the Contractor or the subcontractors or suppliers.

19. Suspension of Work

The Procurement Officer unilaterally may order the Contractor in writing to suspend, delay, or interrupt all or any part of its performance for such period of time as the Procurement Officer may determine to be appropriate for the convenience of the State.

20. Pre-Existing Regulations

In accordance with the provisions of Section 11-206 of the State Finance and Procurement Article, Annotated Code of Maryland, the regulations set forth in Title 21 of the Code of Maryland Regulations (COMAR 21) in effect on the date of execution of this Contract are applicable to this Contract.

21. Financial Disclosure

The Contractor shall comply with the provisions of Section 13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, as from time to time amended, which requires that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more, shall, within 30 days of the time when the aggregate value of these contracts, leases or other agreements reaches \$100,000, file with the Secretary of the State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

22. Political Contribution Disclosure

The Contractor shall comply with the provisions of Article 33, Sections 14-101 through 14-108 of the Annotated Code of Maryland, which require that every person that enters into contracts, leases, or other agreements with the State of Maryland, a county or an incorporated municipality or their agencies, during a calendar year under which the person receives in the aggregate \$100,000 or more, shall file with the State Board of Elections a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election. The statement shall be filed with the State Board of Elections: (1) before a purchase or execution of a lease or contract by the State, a county, an incorporated municipality, or their agencies, and shall cover the preceding two calendar years; and (2) if the

contribution is made after the execution of a lease or contract, then twice a year, throughout the contract term, on: (a) February 5, to cover the 6-month period ending January 31; and (b) August 5, to cover the 6-month period ending July 31.

23. Retention of Records.

The Contractor shall retain and maintain all records and documents in any way relating to this Contract for three years after close out of this Contract and final payment by the State of Maryland under this Contract or any applicable statute of limitations, whichever is longer, and shall make them available for inspection and audit by authorized representatives of the State, including the Procurement Officer or the Procurement Officer's designee, at all reasonable times. The Contractor shall, upon request by the Department, surrender all and every copy of documents needed by the State, including, but not limited to itemized billing documentation containing the dates, hours spent and work performed by the Contractor and its subcontractors under the Contract. The Contractor agrees to cooperate fully in any audit conducted by or on behalf of the State, including, by way of example only, making records and employees available as, where, and to the extent requested by the State and by assisting the auditors in reconciling any audit variances. Contractor shall not be compensated for providing any such cooperation and assistance. All records related in any way to the Contract are to be retained for the entire time provided under this section. This provision shall survive expiration of this Contract.

24. Compliance with Laws.

The Contractor hereby represents and warrants that:

- A. It is qualified to do business in the State of Maryland and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified;
- B. It is not in arrears with respect to the payment of any monies due and owing the State of Maryland, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of this Contract;
- C. It shall comply with all federal, State and local laws, regulations, and ordinances applicable to its activities and obligations under this Contract; and,
- D. It shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract.
- E. Title to the Software, including copyright ownership and other applicable intellectual property rights, is held solely and exclusively by the State, free and clear of all liens, claims, security interests or encumbrances.

25. Cost and Price Certification

By submitting cost or price information, the Contractor certifies to the best of its knowledge that the information submitted is accurate, complete, and current as of the date of its bid or offer.

The price under this Contract and any change order or modification hereunder, including profit or fee, shall be adjusted to exclude any significant price increases occurring because the Contractor

furnished cost or price information which, as of the date of its bid or offer, was inaccurate, incomplete, or not current.

26. Living Wage

- 26.1. A State contract for services valued at \$100,000 or more may be subject to Title 18, State Finance and Procurement (SFP) Article, Annotated Code of Maryland. This contract has been deemed to be a Tier 1 contract.
- 26.2. Contractors and Subcontractors subject to the Living Wage Law shall pay each covered employee at least \$11.30 per hour, if State contract services valued at 50% or more of the total value of the contract are performed in the Tier 1 Area. If State contract services valued at 50% or more of the total contract value are performed in the Tier 2 Area, an Offeror shall pay each covered employee at least \$8.50 per hour.
- 26.3. The Contractor shall comply with Title 18, State Finance and Procurement Article, Annotated Code of Maryland, including the submission of payroll reports to the Commissioner of Labor and Industry and the posting in a prominent and easily accessible place at the work site(s) of covered employees a notice of the Living Wage Rates, employee rights under the law, and the name, address, and telephone number of the Commissioner.
- 26.4. The Contractor shall make any subcontractor on this Contract aware of the Living Wage law requirements.

27. Commercial Non-Discrimination

- 27.1. As a condition of entering into this Contract, Contractor represents and warrants that it will comply with the State's Commercial Nondiscrimination Policy, as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland. As part of such compliance, Contractor may not discriminate on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or other unlawful forms of discrimination in the solicitation, selection, hiring, or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall Contractor retaliate against any person for reporting instances of such discrimination. Contractor shall provide equal opportunity for subcontractors, vendors, and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that this clause does not prohibit or limit lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the marketplace. Contractor understands that a material violation of this clause shall be considered a material breach of this Contract and may result in termination of this Contract, disqualification of Contractor from participating in State contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.
- 27.2. The Contractor shall include the above Commercial Nondiscrimination clause, or similar clause approved by DBM, in all subcontracts.
- 27.3. As a condition of entering into this Contract, upon the Maryland Human Relations Commission's request, and only after the filing of a complaint against Contractor under Title 19 of the State Finance and Procurement Article, as amended

from time to time, Contractor agrees to provide within 60 days after the request a complete list of the names of all subcontractors, vendors, and suppliers that Contractor has used in the past 4 years on any of its contracts that were undertaken within the state of Maryland, including the total dollar amount paid by Contractor on each subcontract or supply contract. Contractor further agrees to cooperate in any investigation conducted by the State pursuant to the State's Commercial Nondiscrimination Policy as set forth under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, and to provide any documents relevant to any investigation that are requested by the State. Contractor understands that violation of this clause is a material breach of this Contract and may result in contract termination, disqualification by the State from participating in State contracts, and other sanctions.

28. Subcontracting; Assignment

The Contractor may not subcontract any portion of the Services provided under this Contract without obtaining the prior written approval of the State of Maryland, nor may the Contractor assign this Contract or any of its rights or obligations hereunder, without the prior written approval of the State. Any such subcontract or assignment shall include the terms of this Contract and any other terms and conditions that the State deems necessary to protect its interests. The State shall not be responsible for the fulfillment of the Contractor's obligations to the subcontractors.

29. Indemnification

- 29.1. The Contractor shall indemnify the State against liability for any costs, expenses, loss, suits, actions, or claims of any character arising from or relating to the performance of the Contractor or its subcontractors under this Contract.
- 29.2. The State of Maryland has no obligation to provide legal counsel or defense to the Contractor or its subcontractors in the event that a suit, claim or action of any character is brought by any person not party to this Contract against the Contractor or its subcontractors as a result of or relating to the Contractor's obligations under this Contract.
- 29.3. The State has no obligation for the payment of any judgments or the settlement of any claims against the Contractor or its subcontractors as a result of or relating to the Contractor's obligations under this Contract.
- 29.4. The Contractor shall immediately notify the Procurement Officer of any claim or suit made or filed against the Contractor or its subcontractors regarding any matter resulting from or relating to the Contractor's obligations under the Contract, and will cooperate, assist, and consult with the State in the defense or investigation of any claim, suit, or action made or filed against the State as a result of or relating to the Contractor's performance under this Contract. Section 29 shall survive expiration of this Contract.

30. Orderly Termination

Upon the expiration or earlier termination of this Contract, Contractor shall:

- A. promptly, diligently, efficiently and in good faith work with any successor contractor and the Department to transition Services over to the successor contractor;

- B. during the transition period, continue to be subject to all of the terms and conditions of the Contract, including, by way of example only, those that govern the rates, fees and other charges that Contractor may be permitted to charge the Department under the Contract, and under no circumstances shall the Contractor be entitled to raise any such rates, fees and/or other charges during the transition period; and,
- C. at the end of the transition period, provide the Department with a summary report of the transition that, among other things, contains a certification signed by an officer of the Contractor who is authorized to legally bind Contractor, that states that all actions necessary to successfully transition the Services to the successor contractor have been completed, or if they have not been completed, why they have not been completed. The Department shall be entitled to withhold any final payment(s) otherwise due Contractor until it receives the summary report and certification specified in this subsection.

31. Nonvisual Accessibility Warranty

The Contractor warrants that the information technology offered under the proposal (1) provides equivalent access for effective use by both visual and non-visual means; (2) will present information, including prompts used for interactive communications, in formats intended for both visual and non-visual use; (3) if intended for use in a network, can be integrated into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired; and (4) is available, whenever possible, without modification for compatibility with software and hardware for non-visual access. The Contractor further warrants that the cost, if any, of modifying the information technology for compatibility with software and hardware used for non-visual access does not increase the cost of the information technology by more than five percent. For purposes of this Contract, the phrase "equivalent access" means the ability to receive, use and manipulate information and operate controls necessary to access and use information technology by non-visual means. Examples of equivalent access include keyboard controls used for input and synthesized speech, Braille, or other audible or tactile means used for output.

32. Administrative

- 32.1. **Procurement Officer and Contract Manager.** The day-to-day work to be accomplished under this Contract shall be performed under the direction of the Contract Manager and, as appropriate, the Procurement Officer. All matters relating to the interpretation of this Contract shall be referred to the Procurement Officer for determination.
- 32.2. **Notices.** All notices hereunder shall be in writing and either delivered personally or sent by certified or registered mail, postage prepaid as follows:

If to the State:

Robert Campbell, Contract Manager
State of Maryland
Department of Budget & Management
45 Calvert Street, 2nd Floor
Annapolis, MD 21401

With a copy to:

Wm. M. Bowser
Procurement Officer
Department of Budget and Management
Room 147
45 Calvert Street
Annapolis, Maryland 21401


If to the Contractor:


Stephenson Financial Systems
16211 Split Creek Lane
Alexandria, VA 22482

IN WITNESS THEREOF, the parties have executed this Contract as of the date hereinabove set forth.

Stephenson Financial Systems, Inc.


STATE OF MARYLAND
BY: DEPARTMENT OF BUDGET
AND MANAGEMENT



By: _____


By: T. Eloise Foster, Secretary


1/28/08
Date _____

2/4/08
Date _____


Witness _____


Witness _____

Approved for form and legal
sufficiency this 30th day January 2008.


Assistant Attorney General

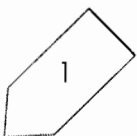
APPROVED BY BPW: 1/30/08 3-17
(Date) (BPW Item #)

EXHIBIT A

**Scope of Work - Support Services for
Maryland Timekeeping (MDTime)
Leave Accounting System (LAS)**

**Department of Budget and Management (DBM)
Office of Information Technology (OIT)**

January 18, 2008



Section 1 – Administrative Information

1.1 Purpose

The Department of Budget and Management, Office of Information Technology (DBM/OIT) is entering into a Contract with Stephenson Financial Systems, Inc. (SFS) dated January, 2008 (the “Contract”) to obtain maintenance, problem resolution, statewide system rollout, enhancement, programming and functional support services for MDTime and the LAS to be provided to State of Maryland (“State”) agencies.

1.2 Project/Contract Management

The Project Manger, Daniel Johnson or a successor designated by DBM/OIT, has the primary responsibility for administrative functions and the management of the work performed by SFS under the Contract, including but not limited to issuing written directions, ensuring compliance with the terms and conditions of the Contract and achieving on budget/on time/on target completion of the Scope of Work.

1.3 Non Disclosure Agreement

SFS employees and agents who review or have access to the State’s confidential information shall sign a Non Disclosure Agreement in the general form of Attachment I.

1.4 Contractor Staff Expertise Required

SFS shall document that substitute personnel provided to perform the programming services required in this SOW have had 3 years of expertise in designing and maintaining applications using the following technologies:

- Microsoft Visual Studio.NET, Professional Edition
- Microsoft Visual Basic.NET
- Microsoft.NET Framework SDK
- Microsoft SQL Server, Standard Edition
- DevExpress DXperience Professional

1.5 Documentation

SFS shall provide, upon execution of the Contract, all documentation and two complete source codes files (one machine readable and one human readable) for each of LAS and MDTime. SFS will also regularly provide and maintain system documentation to the Project Manager, along with a listing of all software (with releases) used to develop and maintain the LAS and MDTime systems from time to time.

Section 2 – Scope of Work

2.1 Technical Requirements

SFS shall provide four categories of services to the State pursuant to the Contract: Maintenance, Problem Resolution, Enhancement Development, and Statewide Rollout.

SFS shall provide the following services as directed by the Project Manager:

1. Maintenance, including but not limited to the following:
 - Ensure that the software platforms, and all database structure and software, and any interface structures remain compatible with existing State Agency conditions and infrastructure, as defined in Section 2.4 unless requested otherwise by the State.
 - Update all system documentation as required.
 - Develop and implement procedures to identify, prevent, and ensure non-recurrence of defective services, and to ensure the proper operation of the MDTime and LAS systems.
 - Evaluate and recommend new software, upgrades and/or patches related to the system data to State agencies.
 - Make recommendations for application/database performance optimization.
 - Maintain multiple releases to MDTime to ensure critical problems can be fixed in a timely manner.
 - Develop and maintain a separate testing system/database to include test scenarios for each test scrip requested by the LAS/MDTime users group
2. Problem Resolution, including but not limited to the following:
 - Provide open-ended support to include phone and on-site assistance.
 - Ensure that the MDTime/LAS applications are down, for reasons related directly to the application, for only minimal time (fewer than four hours). Employee vacation, unavailability, or sickness is not acceptable as an excuse for exceeding this time limitation.
 - Utilize a call tracking system for all calls received from the Project Manager to SFS. Each call must be assigned a unique “trouble ticket number”, along with a DBM defined Degree of Severity. The ticket will be given to the Project Manager for tracking purposes. See Section 2.3.2 (Problem Resolution Process) for degrees of severity.
 - Write or modify all programs necessary to maintain the LAS and MDTime as workable systems
3. Enhancement Development, including but not limited to the following:
 - Design, develop, and deploy reports.
 - Design, develop, modify, and deploy data screens.

- Add, delete, and modify database fields.
 - Modify/create programming modules
 - Modify/create database structures.
 - Develop and implement Time Keeper and Cost Accounting modules for MDTime system
4. Statewide Application Deployment, including but not limited to the following:
- Deploy the MDTime application to various State agencies as directed by the Project Manager.
 - Provide technical support for continued rollout of MDTime system to current agencies using the LAS.
 - Provide technical, functional and user training on the LAS and MDTime systems as needed.

2.2 Initiation of Services

A State agency will request a remedy ticket through DBM's help desk. The Project Manager will approve the request by issuing a NTP to SFS which will incorporate the work to be completed, the not-to-exceed hours and amount approved. SFS will not begin services on any work until it receives a NTP for that work from the Project Manager.

2.3 Procedures for Performing Services

1. Maintenance

- A) SFS shall follow the required guidelines, policies, and methodologies specified in Section 2.4 when making updates to the MDTime and LAS applications.

Examples include, but are not limited to:

- Establish and maintain development and test environments.
 - Perform system, regression, performance, security, and User Acceptance Testing (UAT) to any updates to the MDTime and LAS applications. The Project Manager will approve UAT as necessary.
 - Establish and maintain a configuration library and execute version control.
- B) Obtain Project Manager approval for all maintenance fixes prior to publishing for production usage.

2. Problem Resolution

- A) SFS shall resolve problems reported by the Project Manager in the following degrees of severity within the timeframes specified below:
- For "**Non-mission Critical**" incidents, SFS shall contact the Project Manager within two hours after being appraised of a problem to coordinate a response

date and time with the State's on-site contact person. Non-mission critical items, as determined by the Project Manager, are items that do not affect the overall system functionality or do not require immediate or critical attention.

- For "**Mission Critical**" incidents SFS will contact the Project Manager within one hour after being apprised of a problem and shall be on-site, as directed by the Project Manager, to begin troubleshooting and repairs within four hours of being apprised of the problem. Mission Critical items, as determined by the Project Manager, are items that affect the overall system functionality and critical business processes.
- For "**Catastrophic Failure**" incidents, SFS shall respond to the agency contact within forty-five minutes after being apprised of a problem. Catastrophic Failures, as determined by the Project Manager, are emergency events that require an immediate response by SFS.
- All problem resolution instances will be limited to normal State business hours from 8:00 a.m. until 5:00 p.m. local time, Monday through Friday (excluding State holidays). Should an instance be reported after 1:00 p.m. on any business day, SFS shall report to the site (if required) at the beginning of the next business day.
- Within 10 days of completion of any mission critical or catastrophic failure incident, SFS will provide to the Project Manager details of the event activity.
- Exceptions to these timeframes must be approved in writing by the Project Manager. Upon requesting an extension, SFS shall provide an expected completion date for all the repairs at the time of the request.

- B) The Project Manager shall notify SFS of problem incidents by the telephone, e-mail, Internet connection, in person, or in writing. The State reserves the right to alter the determination of problem incidents up or down as the need arises. In such cases, the Project Manager will notify SFS of the change. If the State alters the determination, the response timeframe applicable to the altered determination applies. Elapsed time shall be calculated beginning with the time of the revised notification.
- C) SFS shall maintain configuration management, as defined in Section 2.4 when making updates to application software.
- D) SFS shall obtain Project Manager approval of all problem resolution fixes prior to releasing a solution for production usage.
- E) SFS shall certify the successful execution of all applicable test scripts prior to releasing a fix for production usage.

3. Enhancement Development

- A) The Project Manager, after consultation with the LAS/MDTime Users Group, shall communicate a request to SFS to provide enhancement services. The request will include at a minimum:
- The due date and time for SFS to submit a response.
 - Technical requirements and a description of the services needed.
 - Performance objectives and/or deliverables, as may be applicable
- B) SFS shall e-mail a response to the Project Manager within the specified time that shall include, at a minimum:
- A proposed approach to satisfying the requirements of the task and development of task deliverables.
 - A response to the description of the service that details SFS's understanding of the work.
 - A narrative description of the proposed work plan, including time schedules to accomplish the requisite task. This description shall include a schedule of resources and related tasks, including an explanation of how these tasks will be completed and, if applicable, a GANTT chart.
 - The personnel resources, and estimated hours necessary to complete the task.
 - The maximum time needed to complete the services required.
- C) SFS shall maintain configuration management, as defined in Section 2.4 when making updates to application software.
- D) SFS shall obtain Project Manager approval for all problem resolution fixes prior to publishing for production usage.
- E) SFS shall certify the successful execution of all applicable test scripts prior to releasing an enhancement for production usage.
- F) SFS shall compile and maintain a list of known enhancements, including the personnel resources and estimated hours necessary to complete each task.

4. Statewide Application Deployment

- A) SFS shall work with the Project Manager to develop a plan to deploy the MDTime application to approximately 23 various State agencies as directed by DBM.
- B) The Project Manager shall work with each agency and SFS to install a small test installation, for evaluation purposes, 90 days prior to its tentative install date.

- C) The Project Manager shall provide SFS with an install date 60 days prior to the anticipated delivery.
- D) SFS shall develop and provide training materials in coordination with the Project Manager.
- E) SFS shall provide classes to train all agency users as directed by the Project Manager. Each training session shall average approximately two hours in duration and shall not exceed a maximum of three sessions per day. Each training session shall not exceed a maximum of 20 persons.
- F) SFS shall work with the Project Manager and agency Information Technology resources to install the MDTime application on or prior to the installation date.
- G) SFS shall certify the successful execution of all applicable test scripts prior to an installation at a State agency.
- H) SFS shall warrant the successful pay period closeout of MDTime final installations for all agencies for two consecutive pay periods at no cost to the State. The Project Manager will designate the final installation and will certify acceptance of final installations for all State agencies. A successful pay period closeout is defined as the successful operation of the Close Module and the proper and correct functioning of all of the following closeout reports, as determined by the Project Manager.
 - 1. Leave Without Pay Report
 - 2. Overtime Report
 - 3. Accident Leave Report
 - 4. Pay Hours Report

2.4 Required Project Policies, Guidelines and Methodologies

SFS shall keep itself informed of and comply with all applicable federal, State and local laws, regulations, ordinances, policies, standards and guidelines affecting information technology projects, applicable to its activities and obligations under the Contract, as those laws, policies, standards and guidelines may be amended from time to time, and it shall obtain and maintain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under the Contract. SFS shall adhere to and remain abreast of current, new, and revised laws, regulations, policies, standards and guidelines affecting project execution. These may include, but are not limited to:

- The State's System Development Life Cycle (SDLC) methodology at: www.dbm.maryland.gov - keyword: SDLC.
- The State Information Technology Security Policy and Standards at: www.dbm.maryland.gov - keyword: Security Policy.
- The State Information Technology Project Oversight at: www.dbm.maryland.gov- keyword: IT Project Oversight.

- The State of Maryland Enterprise Architecture at www.dbm.maryland.gov- keyword: MTAF Guiding Principles.

2.5 Labor Rates for Maintenance, Problem Resolution, Enhancement Development, Statewide Application Deployment services

Maintenance, Problem Resolution, Enhancement Development, and Statewide Application Deployment services shall be provided by SFS to the State at a fully loaded hourly labor rate as follows:

- February 1, 2008 through January 31, 2009 at \$58.00 per hour
- February 1, 2009 through January 31, 2010 at \$61.00 per hour
- February 1, 2010 through January 31, 2011 at \$64.00 per hour
- February 1, 2011 through January 31, 2012 at \$67.00 per hour

Fully loaded maximum hourly rates include all direct and indirect costs and profit for SFS to perform services to the State under the Contract. Indirect costs shall include all costs that would normally be considered general and administrative costs and/or routine travel costs such as mileage and parking, or which in any way are allocated by SFS against direct labor hours as a means of calculating profit or recouping costs which cannot be directly attributable any services provided.

2.6 Rates for Training Services

- February 1, 2008 through January 31, 2009 \$300 per class, not to exceed \$600 per day.
- February 1, 2009 through January 31, 2010 \$315 per class not to exceed \$615 per day.
- February 1, 2010 through January 31, 2011 \$330 per class, not to exceed \$630 per day.
- February 1, 2011 through January 31, 2012 \$345 per class, not to exceed \$645 per day.

2.7 Travel Reimbursement

- A. Routine Travel is defined as travel within a 50-mile radius of 300 W. Preston Street, Baltimore, MD 21201 or SFS's facility, whichever is closer to the consulting site. There will be no payment for labor hours for travel time or reimbursement for any travel expenses for work performed within these radiuses or at SFS's facility.
- B. Non-routine travel is defined as travel beyond the 50-mile radius of 300 W. Preston Street, Baltimore, MD 21201 or SFS's facility, whichever is closer to the consulting site. Non-routine travel must be pre-approved by the Project Manager, and shall be billed on an hourly basis at the labor rates in Section 2.5. If non-routine travel is conducted by automobile, the first 50 miles of such travel will be treated as routine travel and as described in section A of this definition, and will not be reimbursed.

2.8 Invoicing

SFS shall invoice for services rendered as follows:

1. Payment for all services provided under the Contract shall be made upon acceptance of the work by the Project Manager and submission of an invoice accompanied by a monthly status report signed by the Project Manager.
2. SFS shall provide an explanation and supporting documentation for all billing inquiries and disputes within ten business days of initial contact by the Project Manager. All work performed shall be billed no later than the month following the month in which the services are rendered and accepted by the Project Manager.
3. SFS shall provide documentation of time of employees for any work performed under the Contract. The documentation shall be either certified employee time sheets or electronic time keeping records certified by SFS to be the actual time worked by the employees in the performance of the work associated with work order. SFS will only charge hours within the limit of the active work order. DBM/OIT is not responsible for hours billed that exceed what is authorized by the Project Manager.

2.9 Monthly Status Meetings and Reporting

SFS and the Project Manager shall conduct monthly status meetings. SFS shall submit a status report two days in advance of the meeting to the Project Manager. The report shall contain, at a minimum, the following information:

1. Work accomplished during the monthly period broken-down into the following categories:
 - A) Maintenance work performed.
 - Upcoming maintenance.
 - Recommended upgrades.
 - B) Enhancement work performed.
 - Scope creep.
 - Deviation from the work plan.
 - Deliverable progress
 - C) Problem resolution work performed.
 - Problem areas
 - Problems resolves/unresolved during period
 - D) Statewide Rollout Status
 - All Statewide Application Deployment Work
 - Completed and planned deployments
 - Specific agency deployment status
 - Deployment problems/issues

2. Planned activities for the next reporting period.
3. An accounting report for the current reporting period and a cumulative summary of the totals for both the current and previous reporting periods. The accounting report shall include amounts invoiced-to-date and paid-to-date.
4. Any issues that require the attention of the Project Manager.