



## Contract

**Commodity or Service:** Request for Proposal for the State of Wisconsin Department of Employee Trust Funds Financial Management Information Services (FMIS) Implementation Services

**Request for Proposal:** ETC0019  
Sierra Systems Inc

**Contract Period:** June 10, 2013, through December 31, 2018.  
Option by mutual agreement for two additional one year terms through December 31, 2020.

1. This contract is entered into by and between the State of Wisconsin, Department of Employee Trust Funds, and the contractor whose name, address, and principal officer appears below;
2. Whereby the Department of Employee Trust Funds, agrees to direct the purchase and the contractor agrees to supply the contract requirements cited above in accordance with the terms and conditions of the request for bid cited above, and in accordance with the contractor's bid submitted on this request for bid; which request for bid is hereby made a part of this contract;
3. In connection with the performance of work under this contract, the contractor agrees not to discriminate against any employees or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in s.51.01(5), Wis. Stats., sexual orientation as defined in s.111.32(13m), Wis. Stats., or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Except with respect to sexual orientation, the contractor further agrees to take affirmative action to ensure equal employment opportunities. The contractor agrees to post in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause.
4. Contracts estimated to be over Fifty thousand dollars (\$50,000) require the submission of a written affirmative action plan. Contractors with an annual work force of less than Fifty (50) employees are exempted from this requirement.

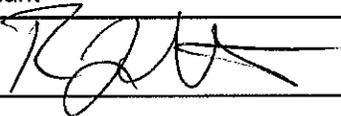
Within fifteen (15) working days after the award of the contract, the plan shall be submitted for approval to the contracting agency. Technical assistance regarding this clause is provided by [ETFProcurement@etf.wi.gov](mailto:ETFProcurement@etf.wi.gov) or the Wisconsin Office of Contract Compliance, Department of Administration, P.O. Box 7867, Madison, WI 53707-7867, (608) 266-5462.

5. *For the purposes of administering this contract, or in the event of any conflict, ambiguity, or inconsistency among the terms of this Contract and the documents incorporated within, the Order of Precedence to resolve any inconsistencies is:*
  - 1) *this Contract,*
  - 2) *Wisconsin ETF and Sierra Systems/CedarCrestone Acquisition letter, dated May 21, 2013*
  - 3) *Standard Terms and Conditions, Additional Terms, Supplement Terms and Conditions, and RFP, dated June 10, 2013*
  - 4) *the Business Associate Agreement;*
  - 5) *Statement of Work-PeopleSoft Services, dated June 10, 2013*
  - 6) *RFP ETC0019 dated February 22, 2013; including amendments and appendices*
  - 7) *CedarCrestone, Inc response to RFP ETC0019 dated March 13, 2013 including all clarifications and explanations requested during the evaluation process.*

**Contract Number: ETC0019** Request for Proposal for the State of Wisconsin Department of Employee Trust Funds Financial Management Information Services (FMIS) Implementation Services

**Request for Proposal:** ETC0019

Sierra Systems Inc..

<b>State of Wisconsin Department of Employee Trust Funds</b>	
By Authorized (Name)	Employee Trust Funds
By (Name)	Robert J. Marchant
Signature	
Title	Deputy Secretary, Department of Employee Trust Funds
Phone	(608) 266-9854
Date (MM/DD/CCYY)	6/10/13

<b>To be Completed by Contractor</b>	
Legal Company Name	Sierra Systems, Inc.
Trade Name	
Taxpayer Identification Number	76-0741206
Company Address (City, State, Zip)	1255 Alderman Drive Alpharetta, GA 30005
By (Name)	GAYLYN LANTON
Signature	
Title	VP FINANCE
Phone	604 688 1371
Date (MM/DD/CCYY)	06/06/2013



## Statement of Work – PeopleSoft Services

This Statement of Work (this "SOW") is made effective as of **June 10, 2013** (the "SOW Effective Date") and constitutes a Statement of Work entered into pursuant that certain Services Agreement (the "Agreement") by and between Sierra Systems, Inc. ("Consultant," or, as used herein, "Sierra Systems"), and State of Wisconsin Employee Trust Fund ("Client," or, as used herein, "WI ETF") dated effective as of **June 10, 2013**. This SOW describes the Services to be performed, and Deliverables to be provided, by Sierra Systems in completion and satisfaction of the requirements outlined in the Requests, as defined in the Agreement.

This SOW is subject to and governed by the terms and conditions of the Agreement, which are incorporated herein by this reference. In the event and to the extent of any conflicts or inconsistencies between the provisions of this Statement of Work and those of the Agreement, the provisions of the Agreement shall prevail and control, except for any given provision of this SOW that specifically references, and indicates that it modifies or prevails over, a particular section of the Agreement (in which case the provision of this SOW shall prevail over the specified section of the Agreement, but only with respect to this SOW). Capitalized terms used but not defined in this SOW shall have the respective meanings given such terms in the Agreement.

### General Information:

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WI ETF Business Sponsor	Name:	Bob Willett
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## 1. PURPOSE

This SOW defines the agreed-upon Services and Deliverables to be provided by Sierra Systems to WI ETF, and the respective rights, responsibilities, obligations, and expectations of the Parties regarding the performance of such Services and the provision of such Deliverables. These Services have been requested by WI ETF, and will be provided by Sierra Systems, so as to implement WI ETF's PeopleSoft Financials 9.2 ("FMIS") system, all in a manner that meets WI ETF's needs and requirements, as described in the RFP and elsewhere in the Agreement.

After execution of this SOW by duly authorized representatives of both WI ETF and Sierra Systems, any changes or modifications to this SOW must follow the Change Order process described in the Agreement and in Section 5.5 of this SOW (the "Change Order Process"). All approved and executed Change Orders will amend and update this SOW, and the amended SOW will then form the new baseline upon which any future changes will be made.

## 2. SCOPE OF SERVICES

### 2.1 GENERAL DESCRIPTION OF SERVICES TO BE PERFORMED

Sierra Systems will implement the specified PeopleSoft Financials 9.2 modules providing project management, software installation and system administration support, requirements analysis and solution design, configuration and development, testing, training, deployment, and production support services. Sierra Systems and WI ETF will develop standards and controls that will govern project activities throughout the term of this SOW. Sierra Systems and WI ETF will utilize mutually agreed-upon standard templates for all Deliverables, Work Products, Status Reports, and general project information. Most of these templates will be provided by Sierra Systems from its toolkit. Sierra Systems will review, analyze, and confirm WI ETF's current business requirements for the outlined modules and, where appropriate, recommend changes and propose alternatives to business work flows and processes that will benefit WI ETF and eliminate existing inefficiencies. The scope of services provided under this SOW will be verified during the IDP sessions in project Phase II, Analyze and Design. Changes in scope and the associated project price, either increases or decreases, will be reviewed and approved via the Change Order process outlined in section 5.5.

### 2.2 APPLICATION SCOPE

The following is the list of PeopleSoft Financials 9.2 modules that is expected to be evaluated during the Interactive Design Prototype (IDP) sessions for finalizing project requirements and assessing the fit of delivered PeopleSoft functionality to WI ETF's business requirements. The final application and functionality scope will be determined at completion of the IDP sessions and the project scope will be updated at that time based on an executed change order between Sierra Systems and WI ETF. The anticipated change order may either increase or decrease the project price depending on the resulting scope requested from WI ETF from the IDP sessions. Four (4) weeks have been allocated for IDP sessions. Sierra Systems and WI ETF will coordinate to determine the number of total and concurrent IDP sessions and the alignment of business functions within each session that best supports WI ETF's business analysts and the allocated time.

- General Ledger/Commitment Control
- Accounts Receivable
- Accounts Payable
- Asset Management
- Billing
- Project Costing (limited to IDPs to determine the scope of functionality desired and resulting project impact)

### 2.3 SYSTEM DEVELOPMENT

For this project, Sierra Systems will utilize its Propel Methodology. Propel Methodology Phase II, Analysis and Design, will be used to confirm the intended project scope for all system development. The currently



expected scope of system development work to be performed under this SOW is set forth below and is used as the baseline for the current project pricing. Any changes to the system development scope of the project (and the reasonably expected number of hours of effort associated with those changes) will be mutually agreed upon by the Parties in the development requirements created in the Analysis and Design phase and reconciled against the scope of work contained herein. The net difference in development hours will be the basis for quantifying a change order. The Change Order Process will be utilized to document any mutually agreed upon changes to the scope of system development work and any associated, corresponding, changes in the Fees payable hereunder. Upon completion of the IDP sessions, and prior to either Party creating any detailed functional specifications or performing development work on the development items, WI ETF will approve the System Development scope.

System Development scope items, for purposes of this SOW, shall include:

1. Application Customizations
2. Interfaces
3. Custom/Modified Reports
4. Workflows
5. Data Conversions

Sierra Systems will utilize offsite development for various components. Sierra Systems will manage this effort and all coordination. WI ETF will be required to provide VPN type access to their environment to facilitate the offsite development.

SYSTEM DEVELOPMENT ITEM	SCOPE STATEMENT
Application Customizations	Zero (0) application customizations per WI ETF's request.
Interfaces	Development of up to 6 interfaces to support WI ETF's integration requirements. <ul style="list-style-type: none"> <li>• WI ETF BPS system</li> <li>• WI ETF LSPS system</li> <li>• WISMART system (bi-directional)</li> <li>• MyWI ETF Benefits</li> <li>• WEBS /WI ETF One Site system</li> <li>• 535 hours have been included in the project scope for interface technical development work.</li> </ul>
Reports	Modify up to 5 PeopleSoft delivered reports to meet WI ETF's specific requirements Create up to 5 new reports for reporting requirements not covered by PeopleSoft delivered reports. Configure up to 15 queries to meet WI ETF's reporting requirements. 250 hours have been included in the project scope for report technical development work.
Workflows	Configure of to three (3) transaction approval workflows with no more than three (3) approval levels. 120 hours have been included in the project scope for workflow technical development work.

SYSTEM DEVELOPMENT ITEM	SCOPE STATEMENT
Data Conversion	Conversion of up to 15 target PeopleSoft components by running at most 3 full "dry-run" conversion tests to allow for users to test and accept converted data prior to the actual production conversion. A PeopleSoft component is a set of solution pages and supporting tables that represent a discrete business function. Examples include: Customers, Contacts, Vendors, Journals, Budget Journals, Accounts Receivable Items, Assets, Funds, Accounts, Departments, Other Chartfields, etc. Conversions are written in the context of the target PeopleSoft components. 900 hours have been included in the project scope for conversion technical development work.

## 2.4 TRAINING

Sierra Systems will be responsible for training the WI ETF business staff in the use of the PeopleSoft Financials 9.2 software.

The training scope is specific to the PeopleSoft applications and services that are within the scope of this SOW and does not include non-PeopleSoft training such as Operating System, Database and/or hardware platform training. Upon WI ETF's request, the proposed Oracle University technical training has been removed from the project scope.

For WI ETF's approximately sixty (60) OBTF staff and other WI ETF team members, Sierra Systems will provide functional training courses during Phase IV, Test and Train. These training courses will be designed and delivered by Sierra Systems and tailored for WI ETF's specific business processes.

The details of the training course organization, number of sessions, session dates, and participants will be defined in the Training Plan and reflect a collaborative approach between WI ETF and Sierra Systems. The Training Plan is a key project deliverable in Phase IV Test and Train. Sierra Systems will develop training materials via the UPK toolset for up to 1 training course per in-scope module and deliver 1 training session per course for End User training.

WI ETF will provide all training class scheduling and any associated tools for coordinating the classes and tracking the attendance. WI ETF will provide all facilities for all training courses and will print all required training materials for the end users.

If needed, WI ETF will be responsible for verifying that end-user training complies with the Americans with Disabilities Act of 1990, as amended ("ADA"). Sierra Systems will work with WI ETF as a contributor and advisor to verify ADA requirements are met. This means that Sierra Systems will not be responsible for ADA compliance with respect to WI ETF's facility; nor will Sierra Systems have primary responsibility for ADA compliance with respect to training materials / documentation and training delivery. This includes, but is not limited to, responsibility with respect to: (i) disabled classroom and bathroom access; (ii) Braille training and hard-copy documentation; (iii) Braille display or sight enhancement capabilities; and (iv) deaf or hard of hearing adaptation or assistive devices.

## 2.5 PRODUCTION SUPPORT AND WARRANTY

Sierra Systems will provide production support for up to three (3) months. Production support services will include the following resources:

- ✓ Functional Analyst – 3 months
- ✓ Functional Analyst – 1 month
- ✓ Onsite Development/Conversion Resource – 2 months

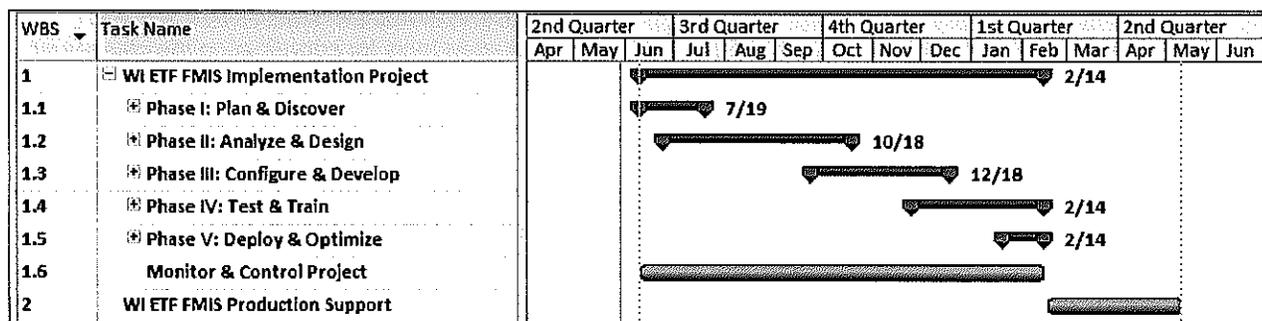
At ETF's request and upon execution of a Change Order, additional production support services can be provided.

Sierra Systems will provide a warranty for one (1) year surrounding the custom development and configuration that is performed by Sierra Systems during this project, provided that the custom development and configuration performed by Sierra Systems is not subsequently altered by WI ETF. WI ETF will be responsible for any changes they make to the solution.

## 3. PROJECT TIMELINE

The following is the project timeline with regard to the expected duration of each project phase.

WBS	Task Name	Duration	Start	Finish
1	WI ETF FMIS Implementation Project	36.2 wks	Mon 6/10/13	Fri 2/14/14
1.1	Phase I: Plan & Discover	6 wks	Mon 6/10/13	Fri 7/19/13
1.2	Phase II: Analyze & Design	17 wks	Mon 6/24/13	Fri 10/18/13
1.3	Phase III: Configure & Develop	12.5 wks	Mon 9/23/13	Wed 12/18/13
1.4	Phase IV: Test & Train	12 wks	Mon 11/25/13	Fri 2/14/14
1.5	Phase V: Deploy & Optimize	4.2 wks	Mon 1/20/14	Fri 2/14/14
1.6	Monitor & Control Project	36 wks	Mon 6/10/13	Fri 2/14/14
2	WI ETF FMIS Production Support	12 wks	Mon 2/17/14	Fri 5/9/14



## 4. PROJECT RESOURCES

The tables below outline the required WI ETF and Sierra Systems roles that need staffed for each phase of the project followed by an illustration of the project structure.

### WI ETF Project Roles

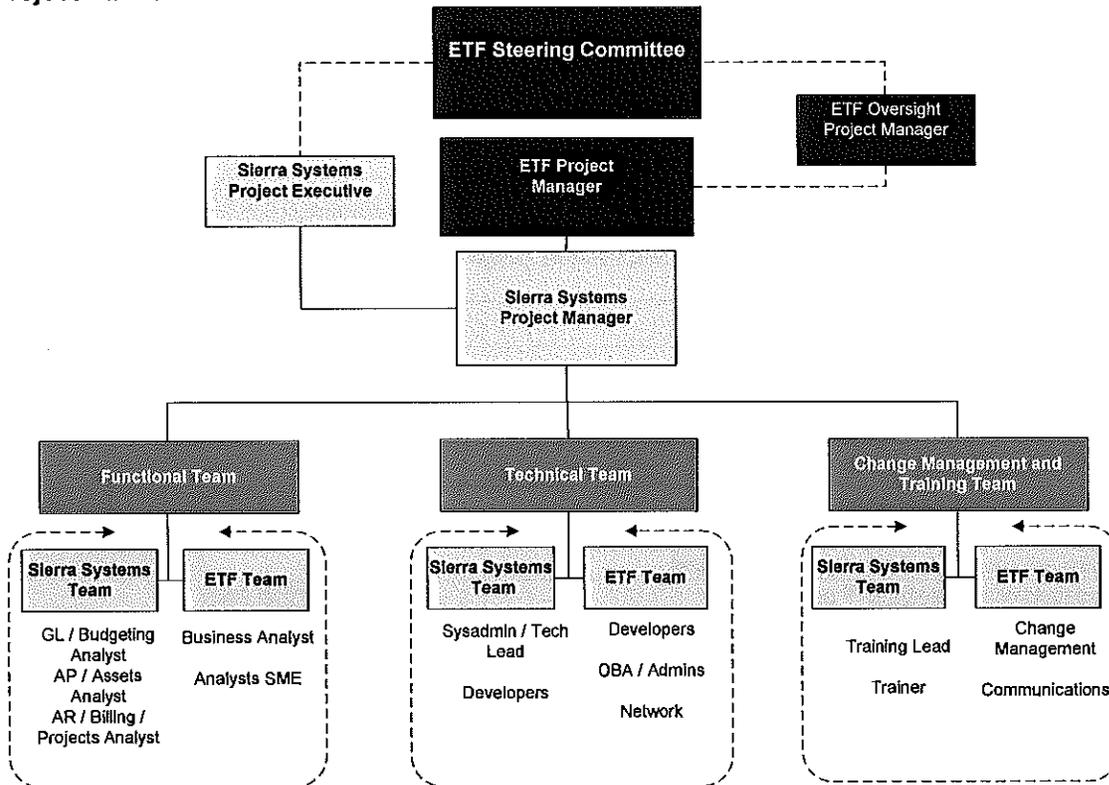
WI ETF Role	Availability (Minimum)	Key Phases Roles will be needed
Steering Committee, Project Executive, Project Director	10%	
Project Manager	100%	I, II, III, IV, V
Business Analyst	20%	I, II, III, IV, V
Subject Matter Expert	10%	I, II, III, IV, V
Developer (Integration / Reporting / Conversion Support)	75%	III, IV, V
Database Administrator / Admin- Environments	75%	I, II, III, IV, V
Change Management / Communications Lead	10%	I, II, III, IV, V
Trainers	50%	IV

### Sierra Systems Project Roles

WI ETF Role	Availability	Key Phases Roles will be needed
Project Manager	75-80%	I, II, III, IV, V
Module Consultant/Analysts	100%	I, II, III, IV, V
Sysadmin / Tech Lead	100%	I, II, III, IV, V
Developers	100%	III, IV
Training Lead	100%	III, IV, V
Trainer	100%	IV, V

In order to provide the most qualified team members for each role, Sierra Systems intends to leverage subcontractors where needed and approved by WI ETF.

### Project Structure



## 5. PROJECT GOVERNANCE AND MANAGEMENT PROCEDURES

The following section addresses project governance and project management procedures that shall be used with respect to this SOW and the implementation project to be conducted hereunder.

### 5.1 PROJECT MANAGEMENT RESPONSIBILITIES

The following table shows the respective project management responsibilities for both WI ETF and Sierra Systems. The Party with Primary responsibility for the management area is noted with a (P), secondary responsibility is noted with a (S).

ACTIVITY	RESPONSIBILITY	
	WI ETF	SIERRA SYSTEMS
<b>PRIMARY DISCIPLINES</b>		
<b>Integration Management</b>		
Identify dependent systems / processes within WI ETF's organization	P	S
Identify competing organizational initiatives within WI ETF	P	S
Manage project work effort to balance integration requirements	P	S
<b>Scope Management</b>		
Finalize project scope	S	P
Approve project scope	P	
Manage project scope	S	P
Manage project change control requests	S	P
<b>Time Management</b>		
Validate phasing schedule		P
Develop work breakdown structure / task definitions		P
Validate task time estimates	S	P
Identify personnel assignments to tasks	S	P
Manage personnel to achieve timely completion of tasks	S	P
<b>Cost Management</b>		
Develop a project cost analysis and timeline for expenditures	P	
Manage project budget	P	
Manage consulting budget and minimize expenses (Secondary for design effort, minimally)	S	P
<b>Quality Management</b>		
Review and approve project deliverables	P	S
Conduct quality reviews		P
Complete follow-up to quality review recommendations	S	P
<b>Human Resource Management</b>		
Manage tasks to meet timeframes	S	P
Develop, manage, and maintain project schedule	S	P
Supervise and coordinate Sierra Systems personnel		P
Supervise and coordinate WI ETF personnel	P	
<b>Communication Management</b>		
Manage project team communications	S	P
Facilitate WI ETF communications	P	
Provide ongoing communication, status updates, support, and feedback	P	S
Prepare for and attend meetings and act as advisors to the Steering Committee	P	S

ACTIVITY	RESPONSIBILITY	
	WI ETF	SIERRA SYSTEMS
<b>PRIMARY DISCIPLINES</b>		
<b>Issue and Risk Management</b>		
Maintain issue tracking and resolution log	S	P
Communicate issues in regular Status Reports	S	P
Mediate all issues/concerns	S	P
Identify and mitigate project risks	S	P
<b>ADDITIONAL DISCIPLINES</b>		
<b>Knowledge Transfer</b>		
Manage pairing of personnel	S	P
Promote knowledge transfer throughout project		P
<b>Change Management</b>		
Develop change management plan	P	S
Integrate change management into on-going project activities	P	S

## 5.2 DECISION / ESCALATION RESOLUTION PROCESS

The Sierra Systems and WI ETF project team members will be faced with making many decisions through the course of the project. WI ETF, as the project owner, will be responsible for making decisions that impact WI ETF's business processes, procedures, and policies, or the interpretations of legislative or administrative mandates that affect WI ETF. Decisions which impact the scope of the project as described in this SOW will be mutually agreed upon by Sierra Systems' and WI ETF's Project Managers. In the event that WI ETF and Sierra Systems have differing interpretations regarding the designation of any event, requirement, measurement, or deliverable as being subject to a change to this SOW, the parties shall use the following escalation procedure to resolve the dispute:

1. The issue in dispute shall be forwarded, in writing, to the WI ETF Project Manager. Within two (2) Work Days after WI ETF's Project Manager has been notified in writing of the issue, WI ETF's Project Manager and Sierra Systems' Project Manager will convene at WI ETF's facilities and make a good faith effort to settle the dispute.
2. In the event the dispute is not resolved as set forth above within two (2) Work Days after WI ETF's Project Manager has been notified in writing of the issue, as described above, the dispute shall be forwarded, in writing, to Sierra Systems' Project Executive and WI ETF's applicable business sponsor. Such executives shall meet at WI ETF's facilities and make a good faith attempt to settle the dispute within two (2) Work Days after receipt of the written notice.
3. Should the issue not be resolved by Sierra Systems' Project Executive and WI ETF's applicable business sponsor within two (2) Work Days after their receipt of written notice of the dispute, it will be escalated, in writing (or via email) to the respective senior manager of each organization who is not involved on a day to day basis with the project. Such executives shall meet at WI ETF's facilities and attempt to settle the dispute within five (5) Work Days after their receipt of the written notice. Escalation beyond each organization's senior management will be determined by the rights and remedies outlined in the master agreement to which this SOW is subordinate.

## 5.3 DELIVERABLE ACCEPTANCE PROCESSES

Sierra Systems shall, on an ongoing basis, consult with WI ETF's appropriate personnel with regard to intermediate versions of Work Product and Deliverables, and collaborate with WI ETF's appropriate personnel on key design decisions relating to the project. Final Deliverables will be submitted by Sierra Systems for approval to WI ETF's Project Manager and the applicable Business Analysts. Similarly, Sierra Systems shall notify WI ETF's Project Manager and executive sponsors when Key Milestones (which may involve the

completion of specified Deliverables) are ready to be submitted for Acceptance. Upon WI ETF's Acceptance, as defined in the Agreement, of any given Key Milestone that are Payment Deliverables and Services associated therewith, Sierra Systems shall submit an invoice to WI ETF in accordance with the provisions of the Agreement and the milestone payment schedule contained in Section 8 of this SOW.

WI ETF will either approve or reject deliverables within five (5) business days of receiving a deliverable. Deliverables will be considered approved when authorized signatures are affixed by both WI ETF and Sierra Systems to the associated Deliverable Approval Form. The Project Management team will determine, based upon the significance of the deliverable, the level of signature required. If a deliverable is rejected, specific reasons will be stated and both WI ETF and Sierra Systems will work expeditiously to revise the deliverable. If after three (3) iterations of the Deliverable having been submitted for approval, and rejected, it will be escalated via the Decision Resolution Process outlined in Section 5.2 of this SOW. If WI ETF does not take any action on submitted deliverables after a period of five (5) working days, Sierra Systems will escalate the situation via the Decision Resolution Process outlined in Section 5.2 of this SOW.

## 5.4 ISSUE RESOLUTION PROCESS

The Sierra Systems and WI ETF Project Managers are responsible for tracking project level Risks and Issues throughout the project. Any stakeholder / end-user may raise a risk or issues. The Sierra Systems and WI ETF Project Manager will regularly review the list of risk and issues, and develop a plan for resolution including assigning the appropriate resource(s) for ownership and resolution.

The decision to escalate an issue to a higher level of authority is in many cases based on subjective judgments of the persons involved. However, escalation guidelines and an escalation process do provide a greater degree of consistency and control. Also, it should be noted that usually individuals in the organization closest to the problem can best handle issue resolution and most directly impacted by the issue. Escalation should be used sparingly and reserved those important issues for which a higher level of intervention is required.

Informing upper management of an issue is not considered escalation unless it is clear upper management has accepted responsibility/ownership for resolving the issue.

The table below outlines the basic path and process for when to escalate a project issue:

FROM	To	REASON TO ESCALATE
Assigned Project Team Member	Sierra Systems / WI ETF Project Manager	<ul style="list-style-type: none"> <li>▪ Lack of action from others needed to resolve the issue</li> <li>▪ Resolution requires change in project scope, cost or schedule</li> <li>▪ Lack of skills or knowledge needed to resolve the issue</li> <li>▪ Cannot resolve the issue by the target date</li> </ul>
Sierra Systems / WI ETF Project Manager	Sierra Systems / WI ETF Project Executive or Business Owner	<ul style="list-style-type: none"> <li>▪ Lack of action from others, outside the project team, needed to resolve the issue</li> <li>▪ Cannot obtain needed resources with the skills or knowledge needed to resolve the issue.</li> <li>▪ Unable to resolve differences with the WI ETF resources relative to the appropriate resolution</li> <li>▪ Project Change Order is required to resolve the issue</li> </ul>
Sierra Systems / WI ETF Project Manager	WI ETF Executive Steering Committee (includes Sierra Systems / WI ETF Project Executives)	<ul style="list-style-type: none"> <li>▪ Cannot reach agreement on the resolution with WI ETF Project Management</li> <li>▪ Resolution will require a change in the contractually agreed upon milestones or implementation date</li> <li>▪ The issue relates to regulatory requirements</li> <li>▪ The issue cannot be resolved at lower levels (i.e. significant cost, change in WI ETF business policies, etc.)</li> </ul>



Should the project issue not be resolved in five (5) business days either party may escalate the issue according to the Decision / Escalation Resolution process as defined in Section 5.2 of this SOW.

## 5.5 CHANGE ORDER PROCESS

The Change Order Process defines the process that will be utilized in the project to manage and account for changes to project scope, cost, and schedule. All project tasks shall be approached with an understanding of the project scope and critically examined within the context of project scope, cost, and schedule management.

The Change Order Process also defines the process for proposed changes to be properly identified and evaluated, as appropriate. The Change Order Process shall be used for any changes to this Statement of Work, including, but not limited to, changes to the scope, the schedule, the approach, roles and responsibilities, or the Fees.

A Change Order request form must be completed for all changes requested by either Sierra Systems or WI ETF. The Sierra Systems Project Manager will be responsible for managing all Change Order requests submitted (whether by Sierra Systems or WI ETF) on the project, in accordance with the following process.

All Change Order requests must be submitted in writing to the Sierra Systems Project Manager, either by email or in printed hard copy form, using the Change Order request form provided in Section 9 of this SOW. Sierra Systems' Project Manager shall assign each submitted Change Order request form a number, in consecutive order, and shall enter the relevant information for each submitted Change Order request form into a catalog called the "Change Control Log", where the forms may be tracked by each Party. Verbal requests or voice mails will not be considered formal Change Order requests.

If the investigation is rejected, then the Change Order request is considered rejected and no further action is required. If it is accepted, then the requester (or its assignees) will then determine the impact of implementing the change on the project. WI ETF is responsible for completing any additional paperwork required as a result of this change (i.e. internal contract change documents).

In investigating the impact of the Change Order on the project, the requester (or its assignees) will determine the impact and change on the cost, schedule, and manpower originally estimated for the project. The requester will also determine the impact on the services contained in this SOW and any revisions to the language that may be required, as well as the estimated work effort and cost to implement the Change Order. Once the investigation has been completed, the requester will complete the Change Order Request Form with the information gathered in this step and resubmit it to the project manager for coordinating the review and approval.

Based on the estimated work effort and cost, representatives from both WI ETF and Sierra Systems will jointly determine whether to proceed with implementing the Change Order. If the implementation is rejected, then the Change Order request is considered rejected and no further action is required. If the Change Order is accepted via formal signature, the Change Order request will be considered approved. Once all appropriate signatures have been obtained for the Change Order, the approved change will become part of the overall agreement, including this SOW. The amended SOW will become the new baseline document upon which any new changes will be based.

The Applicable Hourly Rates that shall apply to all additional work agreed upon during the Change Order Process in connection with this SOW shall be the standard fixed hourly rate set forth below, unless WI ETF desires that the work under any given Change Order be provided on a fixed fee basis, in which case Sierra Systems shall use the following Applicable Hourly Rates in deriving the fixed fee that it proposes to charge for such work.

Rate for unanticipated and authorized work: **\$178.00/hour all inclusive.**

## 5.6 MEETINGS

WI ETF and Sierra Systems will participate in various meetings to review the progress of the project. The following table describes some, but not necessarily all, of the types of meetings that will be conducted, their frequency, and the proposed attendees. The schedule of these meetings may be adjusted and updated as necessary, by mutual agreement of the Parties, throughout the project. The Parties' Project Managers will closely monitor the number and effectiveness of meetings throughout the project, agreeing upon changes necessary to achieve appropriate productivity and accomplish project objectives.

TYPE OF MEETING	FREQUENCY	WI ETF ATTENDEES	SIERRA SYSTEMS ATTENDEES
Kick-off	Once at the beginning of the project	WI ETF's Project Manager, WI ETF's project team members, and other WI ETF employees	Sierra Systems' Project Executive and Project Manager, and Sierra Systems' project team
Weekly Status Meeting	Weekly, on the Work Day, and at the time, mutually agreed upon by the Parties	WI ETF Project Manager / WI ETF Project Team Members / other invited WI ETF employees	Project Manager/ Project Team members (as necessary)
Executive Steering Committee Meetings	Monthly, unless otherwise determined necessary by WI ETF	WI ETF's Project Manager and WI ETF's project executives and project sponsors	Sierra Systems' Project Executive and Project Manager
Project Phase Close-out	As scheduled in the Project Plan, at completion of every phase of the project	WI ETF's Project Manager and WI ETF's project executives and project sponsors	Sierra Systems' Project Executive and Project Manager

## 6. FACILITIES/TOOLS/EQUIPMENT REQUIREMENTS

The following are the minimum facility requirements that Sierra Systems needs in order to properly deliver the Services identified in this SOW. WI ETF will be responsible for providing these facilities to Sierra Systems prior to work being initiated, and WI ETF's facilities provided to Sierra Systems hereunder will be at least equivalent to those provided by WI ETF to its own employees for similar purposes. WI ETF will also be responsible for all costs associated with use of its facilities, including all charges incurred by WI ETF from third parties for the installation and use of telephones and network connections for project purposes only.

Facilities provided by WI ETF for the project hereunder will only be accessible to Sierra Systems' authorized personnel, authorized WI ETF personnel, and WI ETF-authorized third parties. The office areas provided by WI ETF will be fitted by WI ETF with locks, card key entry, or electronic security pads, as WI ETF deems appropriate for security purposes. At a minimum, WI ETF will provide Sierra Systems' personnel with access to locked areas in which to store sensitive information when it is not being used or when Sierra Systems' personnel are not on-site at WI ETF's facilities. WI ETF will also provide Sierra Systems with reasonable access to WI ETF's conference rooms, cafeterias, parking, and other similar facilities, at no charge or at a charge commensurate with that charged by WI ETF to its own employees.

Sierra Systems requires the following facilities and equipment for its project team:

FACILITY/TOOL/EQUIPMENT	DESCRIPTION
Individual Work Space	Each Sierra Systems consultant will need a work space. Whether all Sierra Systems personnel are grouped together or distributed in the various WI ETF business areas is up to WI ETF and how its available work space is allocated. It is recommended that the functional consultants be located with their WI ETF counterparts, if possible. Each consultant work space should have a desk with Internet access and a telephone for project use only.
Network Access	WI ETF will provide the proper VPN and network access to perform the project related activities both onsite and remote.
Email / Scheduling Tools	It is preferable that each Sierra Systems consultant have access to WI ETF's email system and a WI

FACILITY/TOOL/EQUIPMENT	DESCRIPTION
	ETF email address for communicating with the project team. In addition, a scheduling tool for meetings, such as Microsoft Outlook, is preferable.
Conference Rooms	WI ETF will provide at least one conference room dedicated to the project, for conducting project meetings. The conference room will include, at a minimum, a desk or table and six (6) chairs. Additional conference rooms may be needed, occasionally, throughout the project and will be requested through WI ETF's room reservation process.
Internet / Network Access	Minimum of one network line for each work space provided.
Telephone Lines w/ Phones	Minimum of one phone line with phone for each work space provided.
Fax Machines	Access to fax machine for project purposes.
Printers	Access to laser jet printer (or equivalent) for project purposes.
Copy Machines	Access to copy machine for project purposes.
HVAC	Heating and air conditioning available and working in all work areas being provided.
Lights and Temperature Control	Lights and temperature control available and working in all work areas.

## 7. SECURITY REQUIREMENTS

WI ETF will provide Sierra Systems project staff with appropriate security access to WI ETF's designated work location throughout the term of this SOW within one (1) business of their assignment start date. Sierra Systems requires 24x7 access to the project environments and project documentation library by either physical or virtual methods except during scheduled maintenance events.

## 8. PAYMENT SCHEDULE

Sierra Systems will provide the Services and Deliverables described in this Statement of Work on a fixed fee basis, in accordance with the payment schedule set forth below. The total fixed Fees for the project shall be \$1,450,000 except for Change Orders executed in accordance herewith. Travel and lodging expenses for the Consultant Personnel are included in these Fees, and no expenses shall be separately reimbursed hereunder.

Sierra Systems will invoice WI ETF according to the payment and retention release schedules defined below. For the Milestone Payments, WI ETF will pay Sierra Systems upon completion and acceptance of each deliverable identified in the Milestone Payment table below.

The Payment schedule below includes a retainage of 15% of the amount for each deliverable.

Upon completion of a specific deliverable and prior to invoicing, Sierra Systems requires that an acceptance certificate be authorized and signed by WI ETF. The acceptance certificate indicates that WI ETF has accepted that specific deliverable. Fixed monthly payments will not require a signed acceptance certificate. Fixed monthly payments will be automatically invoiced per the schedule below.



Table: Payment Schedule

Payment Schedule							
		Consulting Services Fee	\$1,450,000				
		Fixed Monthly Payments	\$362,500	25.00%			
		Milestone Payment Fee	\$1,087,500	75.00%			
		Retainage Amount / %	\$217,500.00	15.00%			
Project Phase	Deliverable ID	Deliverable Name	Estimated Completion Date	Deliverable %	Deliverable Amount	Deliverable Retainage	Invoice Amount
1	1	High Level Project Plan	June 28, 2013	5.25%	\$ 76,125.00	\$ 11,418.75	\$ 64,706.25
1	2	Fixed Monthly Payment 1	July 15, 2013	3.125%	\$ 45,312.50	\$ 6,796.88	\$ 38,515.63
2	3	Fixed Monthly Payment 2	August 15, 2013	3.125%	\$ 45,312.50	\$ 6,796.88	\$ 38,515.63
2	4	System Design Complete	September 6, 2013	10.50%	\$ 152,250.00	\$ 22,837.50	\$ 129,412.50
2	5	Fixed Monthly Payment 3	September 15, 2013	3.125%	\$ 45,312.50	\$ 6,796.88	\$ 38,515.63
2	6	Functional Specifications Complete	October 4, 2013	7.50%	\$ 108,750.00	\$ 16,312.50	\$ 92,437.50
2	7	Fixed Monthly Payment 4	October 15, 2013	3.125%	\$ 45,312.50	\$ 6,796.88	\$ 38,515.63
3	8	Data Conversion FUT Completed	November 1, 2013	7.50%	\$ 108,750.00	\$ 16,312.50	\$ 92,437.50
3	9	Fixed Monthly Payment 5	November 15, 2013	3.125%	\$ 45,312.50	\$ 6,796.88	\$ 38,515.63
3	10	Integration with WSMART FUT Complete	November 15, 2013	3.75%	\$ 54,375.00	\$ 8,156.25	\$ 46,218.75
3	11	Integration with W ETF Applications FUT Complete	November 15, 2013	6.75%	\$ 97,875.00	\$ 14,681.25	\$ 83,193.75
3	12	Testing Plan Complete	December 6, 2013	7.50%	\$ 108,750.00	\$ 16,312.50	\$ 92,437.50
3	13	Fixed Monthly Payment 6	December 15, 2013	3.125%	\$ 45,312.50	\$ 6,796.88	\$ 38,515.63
4	14	Training Materials Complete	January 10, 2014	4.50%	\$ 65,250.00	\$ 9,787.50	\$ 55,462.50
4	15	Fixed Monthly Payment 7	January 15, 2014	3.125%	\$ 45,312.50	\$ 6,796.88	\$ 38,515.63
4	16	System Testing Complete	January 17, 2014	6.50%	\$ 94,250.00	\$ 14,137.50	\$ 80,112.50
4	17	Acceptance Testing Complete	February 14, 2014	6.50%	\$ 94,250.00	\$ 14,137.50	\$ 80,112.50
4	18	Fixed Monthly Payment 8	February 15, 2013	3.125%	\$ 45,312.50	\$ 6,796.88	\$ 38,515.63
5	19	Final Production System, Live System	February 28, 2014	3.75%	\$ 54,375.00	\$ 8,156.25	\$ 46,218.75
Prod Support	20	Production Support - 1st Month Complete	March 14, 2014	3.00%	\$ 43,500.00	\$ 6,525.00	\$ 36,975.00
Prod Support	21	Production Support - 2nd Month Complete	April 11, 2014	1.50%	\$ 21,750.00	\$ 3,262.50	\$ 18,487.50
Prod Support	22	Production Support - 3rd Month Complete	May 9, 2014	0.50%	\$ 7,250.00	\$ 1,087.50	\$ 6,162.50
				100.00%	\$ 1,450,000.00	\$ 217,500.00	\$ 1,232,500.00

Retention Release Schedule				
		Consulting Services Fee	\$1,450,000	
		Fixed Monthly Payments	\$362,500	25.00%
		Milestone Payment Fee	\$1,087,500	75.00%
		Retainage Amount / %	\$217,500.00	15.00%
Phase	Deliverable ID	Release Point	Estimated Release Date	Release Amount
3	12	Testing Plan Complete	December 6, 2013	\$ 72,500.00
5	19	Final Production System, Live System	February 28, 2014	\$ 72,500.00
Prod Support	22	Production Support - 3rd Month Complete	May 9, 2014	\$ 72,500.00
				\$ 217,500.00

## 9. CHANGE ORDER REQUEST FORM

PROJECT NAME AND CONTROL NUMBER:
REQUESTOR:
ORGANIZATION:
DATE OF REQUEST:

<b>PROPOSED CHANGE(S) AND REASON/JUSTIFICATION FOR CHANGE (INDICATE URGENCY LEVEL)</b>
URGENCY LEVEL: <input type="checkbox"/> HIGH <input type="checkbox"/> MEDIUM <input type="checkbox"/> LOW

<b>DESCRIPTION OF CHANGE</b>

<b>IMPACT OF CHANGE(S):</b>
IMPACT ON PERSONNEL:
IMPACT ON OTHER RESOURCES (E.G., WI ETF'S HARDWARE, INFRASTRUCTURE, ETC.):
IMPACT ON SCHEDULE:
IMPACT ON REQUIREMENTS:
IMPACT ON COST:

<b>ASSUMPTIONS / RISKS</b>

**ALTERNATIVES TO PROPOSED CHANGE(S) (IF ANY)**

--

**SUMMARY OF TOTAL IMPACT OF CHANGE**
**PERSONNEL:**
**OTHER RESOURCES:**
**SCHEDULE:**
**REQUIREMENTS:**
**COST:**
**REQUIRED APPROVALS:**

REVIEWER NAME	DEPARTMENT	DECISION	DATE
		<input type="checkbox"/> APPROVED <input type="checkbox"/> REJECTED	
		<input type="checkbox"/> APPROVED <input type="checkbox"/> REJECTED	
		<input type="checkbox"/> APPROVED <input type="checkbox"/> REJECTED	
		<input type="checkbox"/> APPROVED <input type="checkbox"/> REJECTED	

 \_\_\_\_\_  
 Sierra Systems Approval

Date \_\_\_\_\_

 \_\_\_\_\_  
 WI ETF Approval

Date \_\_\_\_\_



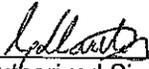
## 10. AUTHORIZATION

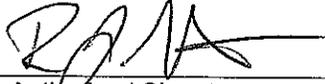
BY THE SIGNATURES OF THE RESPECTIVE AUTHORIZED REPRESENTATIVES OF WI ETF AND Sierra Systems THAT APPEAR BELOW, EACH PARTY ACKNOWLEDGES THAT IT HAS READ, AND AGREES TO BE BOUND BY, THE TERMS AND CONDITIONS OF THIS SOW.

IN WITNESS WHEREOF, the Parties have caused this SOW to be effective as of the SOW Effective Date.

Sierra Systems, Inc. (Sierra Systems)

State of Wisconsin Employees Trust  
Fund (WI ETF)

  
Authorized Signature

  
Authorized Signature

GAYLYN LAWTON  
Printed Name

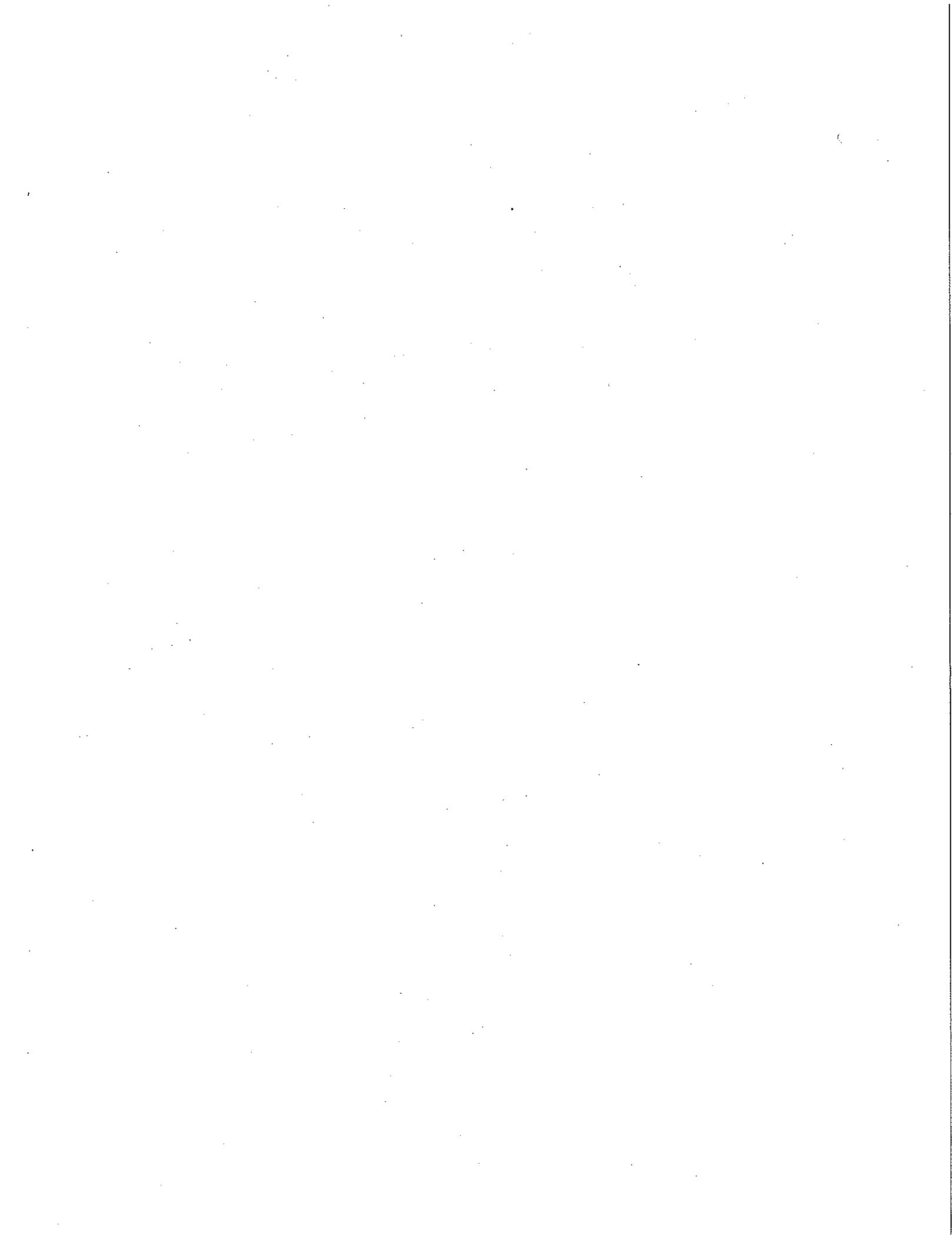
Robert J Marchant  
Printed Name

VP FINANCE  
Title

Deputy Secretary  
Title

June 6/13  
Date

6/10/13  
Date



# Standard Terms and Conditions, Additional Terms, Supplemental Terms and Conditions, and RFP

By Sierra Systems

June 10, 2013

## Standard Terms and Conditions, s. 13.10: Guaranteed Delivery

**GUARANTEED DELIVERY:** Failure of the contractor to adhere to delivery schedules as agreed or to promptly replace rejected materials shall render the contractor liable for all costs in excess of the contract price when alternate procurement is necessary if that failure is due solely to the action or inaction of the contractor, subject always to the limitation of contractor's liability set out at Additional Terms Regarding Limitation of Liability Clause, below. Excess costs shall include the administrative costs.

## Standard Terms and Conditions, s. 17.0: Assignment

**ASSIGNMENT:** No right or duty in whole or in part of the contractor under this contract may be assigned or delegated without the prior written consent of the State of Wisconsin. The contractor may assign its right to payment, as may be required by a banking or surety agreement.

## Additional Terms Regarding Limitation of Liability Clause

Each party agrees that the other party, its subcontractors and their respective personnel shall not be liable for any claims, liabilities, or expenses relating to this contract ("claims") for an aggregate amount in excess of (I) the fees paid by client to Sierra Systems pursuant to this contract over the twelve (12) month period immediately preceding the date on which the act or omission giving rise to the liability first occurs, or (II) \$1,000,000.00, whichever is greater, except to the extent finally judicially determined to have resulted primarily from the recklessness, bad faith or intentional misconduct of the other party, its subcontractors or their respective personnel.

In the event of loss of any client data directly caused by the negligence or intentional misconduct of Sierra Systems or its employees who are performing services hereunder, Sierra Systems' liability for such loss shall be limited to the recovery of the lost data



May 21, 2013

Mr. Bob Martin  
Director, Office of Enterprise Initiatives  
Employee Trust Funds  
801 W. Badger Road  
Madison, WI 53713-2526

**RE: Wisconsin ETF and Sierra Systems/CedarCrestone Acquisition**

Dear Mr. Martin:

Reference is made to a proposal (the "Proposal") submitted by CedarCrestone, Inc., a Delaware corporation ("CCI"), to the state of Wisconsin Employee Trust Fund ("WI ETF") dated March 15, 2013 in response to the WI ETF request for proposal ETC0019 Financial Management Information Services (FMIS) Implementation Services (the "RFP"). On April 11, 2013, Wisconsin ETF informed us that the Proposal had been selected as the successful response to the RFP.

As we informed WI ETF by email on April 2, 2013, Sierra Systems Inc., a Washington corporation ("Sierra"), acquired certain assets from CCI related to its Public Sector PeopleSoft and Oracle E-Business ("EBS") ERP Consulting Business on March 31, 2013 (the "Acquisition"). Sierra and CCI are independent but affiliated legal entities, as they are under the common ownership of IT Services Holdco, Inc. In addition, both Sierra and CCI led by the same Chief Executive Officer and Chief Financial Officer. The effect of the Acquisition will be to combine two strong Public Sector PeopleSoft and EBS ERP Consulting practices into a single legal entity which has provided consulting to public sector clients for more than 40 years.

We would like to assure WI ETF that Sierra will assume all commitments which were made in the original Proposal and that Sierra is willing and legally able to enter into a contract with WI ETF.

If you have any questions regarding the Acquisition and its impact on the Proposal, please contact me at 678.245.6892. We look forward to working with WI ETF and delivering a successful project.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Fees", written over a horizontal line.

Brian Fees  
Chief Financial Officer, Sierra Systems Inc.  
Chief Financial Officer, CedarCrestone, Inc.

from the client's supporting electronic backup media or by other methods or means deemed most suitable by Sierra System for such recovery of such lost data and, to the extent reasonably possible, Sierra System shall recreate such lost data from available electronic resources of the client. The State understands and agrees that it is solely responsible for establishing and maintaining a procedure for backing up its data in accordance with industry standards, and for maintaining procedures for reconstruction and/or recompilation of any and all data lost or destroyed.

In no event shall either party, its subcontractors or their respective personnel be liable for any loss of use, data, goodwill, revenues or profits (whether or not deemed to constitute a direct claim), or any consequential, special, indirect, incidental, punitive or exemplary loss, damage, or expense (including, without limitation, lost profits and opportunity costs), relating to this Contract. The provisions of this paragraph shall not apply to any claim for which one party has an obligation to indemnify the other. In circumstances where all or any portion of the provisions of this paragraph are finally judicially determined to be unavailable, the aggregate liability of each party, its subcontractors and their respective personnel for any claim shall not exceed an amount which is proportional to the relative fault that their conduct bears to all other conduct giving rise to such claim.

Excluded from this or any liability limitation are claims related to fraud, bad faith, infringement issues, bodily injury, death, physical damage to tangible personal property and real property, and the intentional and willful misconduct or gross negligent acts of Sierra Systems. The language contained herein limiting the liability of Sierra Systems will apply to ETF to the extent it is permitted and not prohibited by the laws or constitution of the State of Wisconsin.

#### Additional Terms Regarding Warranty Disclaimer

Sierra Systems warrants that it shall perform the services in good faith and in a professional manner consistent with generally accepted industry standards for the performance of such services.

SIERRA SYSTEMS DISCLAIMS ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THE CLIENT'S EXCLUSIVE REMEDY FOR ANY BREACH OF THIS WARRANTY SHALL BE FOR SIERRA SYSTEMS, UPON RECEIPT OF WRITTEN NOTICE, TO USE DILIGENT EFFORTS TO CURE SUCH BREACH, OR, FAILING ANY SUCH CURE IN A REASONABLE PERIOD OF TIME, THE RETURN OF PROFESSIONAL FEES PAID

TO SIERRA SYSTEMS HEREUNDER WITH RESPECT TO THE SERVICES GIVING RISE TO SUCH BREACH.

Supplemental Terms and Conditions, s. 3.2

Contractors shall agree as part of the contract for services that during performance of the contract, the contractor will neither provide contractual services nor enter into any agreement to provide services to a person or organization that is regulated or funded by the contracting agency and has interests that are adverse to the contracting agency if the provision of services to such person or organization would negatively impact contractor's ability to deliver the services under this agreement. The Department of Administration may waive this provision, in writing, if those activities of the contractor will not be adverse to the interests of the state.

RFP, s. 4.8, 1<sup>st</sup> bullet

Any software provided shall (to the extent possible, recognizing that some of that software may be third party products) be free from material defects and operate in material accordance with its documentation and the agreed requirements set out herein for a minimum period of 365 days from the date of acceptance by ETF.

RFP, s. 4.8, 2<sup>nd</sup> bullet

It shall utilize industry standard anti-virus and software security programs in order to ensure, as much as possible, that any software and all components of the software contain no viruses, moles, worms, bombs, or disabling devices. Vendor shall also ensure that no such viruses, moles, worms, bombs or disabling devices are intentionally inserted into any software by any resource of the Proponent. If this occurs, the vendor will reimburse ETF for all costs associated with the cure.

RFP, s. 4.9 (2)

Provide review and/or approval of all vendor-generated deliverables within the agreed and identified time periods for such review and approval. If ETF fails to conclude its review and approval process during such time period, then ETF shall be responsible for its proportion of any consequences of such failure including any necessary adjustments to the schedule, scope of the project, or fees to be paid.

RFP, s. 4.10 (2)

For all deadlines stated in this RFP, or that may be negotiated in future, time is of the essence. Notwithstanding the foregoing, the parties acknowledge that the project covered by this Agreement is joint and iterative in nature, such that delay by one party in performing its obligations may cause the other party to be unable to meet agreed upon timetables. No such delay shall violate this provision. ETF may cancel the contract upon 14 calendar days' notice to the vendor for any missed deadline that ETF determines to be due solely to the vendor's action or inaction. ETF's failure to exercise this option for any particular missed deadline does not constitute waiver of the cancellation grounds for any other missed deadline.

Termination Cure Period

*This language below is the cure period provision which would apply in the event that a termination for cause event arises.*

If either party violates any of the material covenants, obligations, agreement, or stipulation of this Agreement, the non-breaching party shall thereupon have the right to terminate, specifying the effective date thereof, after at least thirty (30) calendar days cure period before the effective date of such termination. In the event that the breaching party cannot reasonably cure the breach within thirty (30) calendar days period, the breaching party may provide a cure plan reasonably acceptable to the non-breaching party and the Agreement will not terminate provided that the breaching party continues to make adequate progress toward curing the breach in accordance with the agreed upon cure plan.

**APPENDIX G  
BUSINESS ASSOCIATE AGREEMENT**

**VENDOR agrees to the Terms and Conditions as stated in this Appendix G.**

**The winning VENDOR will be required to complete this form.**

**This form is not required for inclusion in the Proposal.**

**Exceptions must be addressed in Proposal  
Tab 5 – Assumptions and Exceptions**

## BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("Agreement") is by and between Sierra Systems Inc. ("SIERRA INC.") and the Wisconsin Department of Employee Trust Funds ("ETF"), and acting on behalf of the State of Wisconsin.

### RECITALS:

**WHEREAS**, ETF and SIERRA INC. have executed a contract, pursuant to which SIERRA INC. provides certain Financial Management Information Services ("FMIS") Implementation Services as set forth in ETC0019 ("Underlying Contract"), and in connection with those services ETF discloses or allows the disclosure to SIERRA INC. of certain information that is subject to protection by the Health Insurance Portability and Accountability Act of 1996, ("HIPAA") and the Health Information Technology for Economic and Clinical Health Act of 2009 as passed as part of ARRA ("HITECH") and their implementing regulations, Title 45, Parts 160 through 164 of the Code of Federal Regulations, as well as by laws and administrative rules of the State of Wisconsin; and

**WHEREAS**, with respect to its activities pursuant to the Underlying Contract, SIERRA INC. is ETF's Business Associate as that term is defined by HIPAA; and

**WHEREAS**, it is the intent of this Agreement to comply with state law and with the federal regulations implementing HIPAA and HITECH concerning the privacy, security and transaction standards in 45 C.F.R. Parts 160 to 164, inclusive,

**WHEREAS**, ETF and SIERRA INC. agree to incorporate the terms of this Agreement into the Underlying Contract and agree to incorporate this Agreement into any associated addenda and contract extensions, in order to comply with HIPAA, HITECH and state law.

**NOW, THEREFORE**, in consideration of these premises and the mutual promises and agreements hereinafter set forth, ETF and SIERRA INC. hereby agree as follows:

### DEFINITIONS:

It is the intent of this Agreement to comply with the federal regulations implementing HIPAA and HITECH concerning the privacy, security and transaction standards, including the definitions in 45 C.F.R. Parts 160 to 164, inclusive, as applicable. This Agreement also addresses compliance with Wisconsin laws on confidentiality of personal information. In particular, the following words and phrases in this Agreement have the meanings set forth below, unless the context clearly requires otherwise:

"ARRA" means the American Recovery and Reinvestment Act of 2009.

"Individual Personal Information" has the meaning set forth in Wis. Admin. Code § ETF 10.70 (1).

"Medical Record" has the meaning set forth in Wis. Admin. Code § ETF 10.01 (3m).

"Personal Information" is information that can be used to identify a person and includes, without limitation, **Individually Identifiable Health Information, Individual Personal Information, Medical Records and Protected Health Information**. These terms incorporate payments and other financial information that can be used to identify a person.

"Third Party" means a party other than a subcontractor or agent that ETF has approved.

### PART I – OBLIGATIONS OF SIERRA INC.

A. **Uses and Disclosures.** SIERRA INC. may use or disclose Personal Information it creates for or receives from ETF or any other Business Associate of ETF for only the following, limited purposes:

1. **Permitted Uses and Disclosures of Personal Information.** SIERRA INC. is permitted to use and disclose Personal Information:
  - (a) To conduct FMIS Implementation Services in accordance with the Underlying Contract.
  - (b) Subject to the limitations on Uses and Disclosures outlined in this Business Associate Agreement, specifically including the State Law Restrictions in Part I, Section B, SIERRA INC. is authorized to use and disclose Personal Information as necessary for SIERRA INC.'s proper management and administration, to carry out SIERRA INC.'s legal responsibilities, and as otherwise Required by Law.
2. **Prohibition on Unauthorized Use or Disclosure.** SIERRA INC. will not use or disclose Personal Information it creates for or receives from ETF or from another Business Associate of ETF, except as authorized or required by this Agreement or as Required by Law or as otherwise authorized in writing by ETF, including, without limitation, marketing and solicitation of business outside the Underlying Contract and disclosure of such information to third-parties.
3. **Compliance with Regulations.** SIERRA INC. will comply with:
  - (a) 45 C.F.R. Parts 160 to 164, inclusive, as applicable to a "Business Associate" of a "Covered Entity" and any other regulations adopted pursuant to HIPAA and HITECH; and
  - (b) Applicable State Law not preempted by 45 C.F.R §§ 160.201 to 160.203, inclusive, or any other federal law.
4. **State Law Restrictions.** SIERRA INC. shall comply with Wis. Stat. §§ 40.07 and 134.98 with respect to information SIERRA INC. creates for or receives from ETF or from any other Business Associate of ETF. In particular:
  - (a) Any Third Party request, including a subpoena, for disclosure of Personal Information, including, without limitation, Medical Records or Individually Identifiable Health Information, shall be referred to ETF in a timely manner; and
  - (b) SIERRA INC. shall not disclose to any Third Party Individual Personal Information which ETF itself may not disclose pursuant to Wis. Stat. § 40.07(1), or of Medical Records that ETF itself may not disclose pursuant to Wis. Stat § 40.07(2).

B. **Compliance with Standard Transactions.**

1. **Standard Transactions Conducted By SIERRA INC.** If SIERRA INC. conducts, in whole or in part, transactions, for or on behalf of ETF that are covered by 45 C.F.R Part 162, SIERRA INC. will comply with the applicable HIPAA transactions standards, and will require any subcontractor or agent involved with the conduct of such transactions to provide reasonable assurances, evidenced by written contract, that it will comply with each applicable requirement of 45 CFR Part 162. Further, SIERRA INC. will require that each of its subcontractors or agents provide assurances, by written contract, that it will not enter into a Trading Partner Agreement, in connection with its conduct of Standard Transactions for and on behalf of ETF that:
  - (a) Changes the definition, data condition, or use of a data element or segment in a Standard Transaction;
  - (b) Adds any data element or segment to the maximum data set;

- (c) Uses any code or data element that either is not in the Standard Transaction's implementation specification or is marked "not used" by the Standard Transaction's implementation specifications;
- (d) Changes the meaning or intent of the Standard Transaction's implementation specifications; or
- (e) Otherwise violates 45 CFR §162.915.

2. Communications Between the Parties. Communications between ETF and SIERRA INC. that are required to meet HIPAA transactions standards will meet the standards set by 45 CFR Part 162. For all other communications, the forms, tape formats or electronic formats used shall be those mutually agreed upon by ETF and SIERRA INC.

C. Information Safeguards. SIERRA INC. will develop, implement, maintain and use reasonable and appropriate administrative, technical and physical safeguards to preserve the integrity and confidentiality of Personal Information under the control of SIERRA INC., and to prevent intentional or unintentional non-permitted or violating use or disclosure of Protected Health Information. SIERRA INC. will document and keep these safeguards current and furnish documentation of the safeguards to ETF upon request. These safeguards will comply with HIPAA, HITECH and their implementing regulations.

D. Reporting of Breach, Improper Use or Disclosure and Security Incidents.

Reporting of Breach, Improper Use or Disclosure. SIERRA INC. will report to ETF the discovery of any breach, use or disclosure of Personal Information, not allowed by this Agreement or in violation of 45 C.F.R. Part 164 or HITECH. An occurrence of a breach, improper use or disclosure or security incident is considered to be discovered as of the first day on which such occurrence is known to SIERRA INC., or, by exercising reasonable diligence, would have been known to SIERRA INC.

1. SIERRA INC. shall provide notice to ETF of the occurrence. The notice shall include the identification of each individual whose unsecured Personal Information has been, or is reasonably believed by the Business Associate to have been accessed, acquired, or disclosed during such occurrence.
2. Within one business day of the discovery, SIERRA INC. shall notify ETF's Privacy Officer. SIERRA INC. shall immediately conduct an investigation and report in writing within four business days the following information:
  - (a) The name and contact information of each individual whose Personal Information has been or is reasonably believed to have been accessed, acquired or disclosed during the occurrence.
  - (b) A brief description of what happened, including the date of the occurrence and the date of the discovery of the occurrence, if known.
  - (c) A description of the types of Personal Information that were involved in the occurrence (e.g., full name, date of birth, Social Security number, account number).
  - (d) A brief description of what SIERRA INC. is doing to investigate the occurrence, to mitigate losses and to protect against further occurrences.
  - (e) The actions SIERRA INC. has undertaken or will undertake to mitigate any harmful effect of the occurrence.
  - (f) A corrective action plan that includes the steps SIERRA INC. has taken or will take to prevent similar occurrences.
3. At ETF's option, SIERRA INC. will be responsible for notifying individuals of the occurrence when ETF requires notification and to pay any cost of such notifications, as well as any costs associated with the breach, improper use or disclosure, including, without limitation, credit monitoring services. SIERRA INC. must obtain ETF's approval of the time, manner and content of any such notifications, provide ETF with copies of the notifications, and provide the

notifications within sixty (60) days after discovery of the breach, improper use or disclosure. SIERRA INC. shall have the burden of demonstrating to ETF that all notifications were made as required, including any evidence demonstrating the necessity of any delay beyond the 60 day calendar notification to affected individuals after the discovery of the breach by ETF or SIERRA INC..

**E. Duty to Mitigate Effect of Misuse or Unauthorized Disclosure and Notify Members of Unauthorized Acquisition:**

1. SIERRA INC. will mitigate, as required by HIPAA, HITECH, state law and this agreement, to the extent practicable, any harmful effect that is known to SIERRA INC. of a breach, improper use or unauthorized disclosure reported pursuant to subsection D of this section, including, without limitation, paying for the costs of mitigation and credit monitoring services.
2. SIERRA INC. will comply with the provisions of Wis. Stat. §134.98 and any subsequently adopted state law regarding mitigation of privacy breaches, and shall ensure by written contract that any subcontractor or agent with whom it contracts to carry out the provisions of the Underlying Contract also complies with the provisions of Wis. Stat. §134.98 and any subsequently adopted law regarding mitigation of privacy breaches.

**F. Minimum Necessary.** SIERRA INC. will make reasonable efforts to use, disclose, or request only the minimum amount of Personal Information necessary to accomplish the intended purpose and shall comply with regulations issued pursuant to HIPAA and HITECH. Internal disclosure of such information to employees of SIERRA INC. shall be limited only to those employees who need the information and only to the extent necessary to perform their responsibilities according to the Underlying Contract and this Agreement.

**G. Disclosure to SIERRA INC.'s Subcontractors and Agents.** SIERRA INC. shall require any of its agents or subcontractors to provide reasonable assurance, evidenced by written contract, that the agent or subcontractor will comply with the same privacy and security obligations as SIERRA INC. with respect to such Personal Information. Before entering into such a contract with an agent or subcontractor, SIERRA INC. shall obtain from ETF approval of the contract.

**H. Access, Amendment and Disclosure Accounting.**

1. Access. At the direction of ETF, SIERRA INC. agrees to provide access to any Protected Health Information held by SIERRA INC. which ETF has determined to be part of ETF's Designated Record Set, in the time and manner designated by ETF, so that ETF may meet its access obligations under HIPAA and HITECH. All fees related to this access, as determined by SIERRA INC., are the responsibility of the individual requesting the access.
2. Amendment. At the direction of ETF, SIERRA INC. agrees to amend or correct Protected Health Information held by SIERRA INC. and which ETF has determined to be part of ETF's Designated Record Set, in the time and manner designated by ETF, so that ETF may meet its amendment obligations pursuant to HIPAA and HITECH. All fees related to this amendment, as determined by SIERRA INC., are the responsibility of the individual requesting the access.
3. Documentation of Disclosures. SIERRA INC. agrees to document such disclosures of Protected Health Information and information related to such disclosures so that ETF may meet its obligations under HIPAA and HITECH.
4. Accounting of Disclosures.

- (a) SIERRA INC. shall maintain a process to provide ETF an accounting of disclosures of Protected Health Information for as long as SIERRA INC. maintains Protected Health Information received from or on behalf of ETF. SIERRA INC. agrees to provide to ETF or to an individual, in a time and manner designated by ETF, information collected in accordance with Subsection 3 above, to permit ETF to properly respond to a request by an individual for an accounting of disclosures pursuant to HIPAA and HITECH.
  - (b) Each accounting will provide:
    - (i) The date of each disclosure;
    - (ii) The name and address of the organization or person who received the Protected Health Information;
    - (iii) A brief description of the Protected Health Information disclosed; and
    - (iv) For disclosures other than those made at the request of the subject, the purpose for which the Protected Health Information was disclosed and a copy of the request or authorization for disclosure.
  - (c) For repetitive disclosures which SIERRA INC. makes to the same person or entity, including ETF, for a single purpose, SIERRA INC. may provide:
    - (i) The disclosure information for the first of these repetitive disclosures;
    - (ii) The frequency or number of these repetitive disclosures; and
    - (iii) The date of the last of these repetitive disclosures,SIERRA INC. will make a log of this disclosure information available to ETF within five (5) business days of ETF's request.
  - (d) SIERRA INC. need not record disclosure information or otherwise account for disclosures of Protected Health Information if:
    - (i) The disclosures are allowed under this Agreement or are expressly authorized by ETF in another written document; and
    - (ii) The disclosures are for one of the following purposes:
      - i. Treatment, Payment or Health Care Operations that are not made through an Electronic Health Record;
      - ii. In response to a request from the Individual who is the subject of the disclosed Protected Health Information, or to that Individual's Personal Representative;
      - iii. Made to persons involved in the health care or payment for the health care of the Individual who is the subject of the disclosed Protected Health Information;
      - iv. For notification for disaster relief purposes;
      - v. For national security or intelligence purposes;
      - vi. As part of a Limited Data Set; or
      - vii. To law enforcement officials or correctional institutions regarding inmates.
5. Disclosure Tracking Time Periods. Except as otherwise provided in this paragraph, SIERRA INC. must have available to ETF the disclosure information required by this section, but in no case will SIERRA INC. be required to have available information from:
- (a) More than six (6) years before ETF's request for the disclosure information; or
  - (b) Any period during which SIERRA INC. did not provide services to ETF.
6. Disclosure Tracking for Disclosures made through Electronic Health Records: SIERRA INC. only needs to provide disclosures for Treatment, Payment or Health Care Operations made through an Electronic Health Record for three years prior to the date on which the accounting is requested. SIERRA INC. shall provide all information necessary for ETF to provide an accounting that includes all information required by regulations issued pursuant to HIPAA and HITECH.

7. **Effective Date:** The effective date for accounting required under subsection 6 depends on the date ETF acquires an Electronic Health Record. If ETF had an electronic Health Record as of January 1, 2009, subsection 6 will apply to Protected Health Information disclosures made by ETF on or after January 1, 2014. If ETF does not have an Electronic Health Record as of January 1, 2009, subsection 6 will apply to Protected Health Information disclosures made by ETF after the later of January 1, 2011 or the date ETF acquires an Electronic Health Record.
- I. **Accounting to ETF and Government Agencies.** SIERRA INC. will make its internal practices, books, and records relating to its use and disclosure of Protected Health Information available to ETF to provide to the U.S. Department of Health and Human Services (HHS) in a time and manner designated by HHS for the purpose of determining ETF's compliance with HIPAA and HITECH. SIERRA INC. shall promptly notify ETF of any inquiries made to it by HHS concerning ETF's compliance with HIPAA.
- J. **Red Flag Rules.** If applicable to SIERRA INC., SIERRA INC. shall be responsible for implementation of an Identity Theft Monitoring Policy and procedure to protect Personal Information under the Federal Trade Commission regulations known as the "Red Flag Rules."
- K. **Qualification of SIERRA's Obligations.** Notwithstanding the foregoing or anything set out in this Agreement, SIERRA's obligations under this Agreement, including any remedies contemplated hereunder, shall only apply and relate strictly and only to any breach of this Agreement caused directly by SIERRA. ETF will use reasonable standards when requiring any mitigation or remedy due to a breach caused by SIERRA, provided that such remedies do not exceed the standards required by applicable law.

## PART II – ETF OBLIGATIONS

- A. **Changes in Permissions to Use and Disclose Protected Health Information.** ETF shall promptly notify SIERRA INC. of any change in, or revocation of, permission by an individual to use or disclose Protected Health Information, to the extent that such change may affect SIERRA INC.'s use or disclosure of such Protected Health Information.
- B. **Changes in ETF's Notice of Privacy Practices.** ETF shall provide SIERRA INC. with a copy of ETF's Notice of Privacy Practices and shall notify SIERRA INC. of any change made to the Notice of Privacy Practices, to the extent that such change may affect SIERRA INC.'s efforts to comply with this Agreement.
- C. **Changes in State Law.** ETF shall notify SIERRA INC. of any relevant change in Wisconsin law, to the extent that such change may affect SIERRA INC.'s efforts to comply with this Agreement.

## PART III – TERM, TERMINATION AND AMENDMENT

- A. **Term.** This Agreement becomes effective on the effective date of the Underlying Contract. The Agreement is co-extensive with the term of the Underlying Contract, including any extensions made to the original Underlying Contract.
- B. **Termination for Breach.** ETF shall have the right to terminate the Underlying Contract and this Agreement if SIERRA INC., by pattern or practice, materially breaches any provision of this Agreement.
- C. **Reasonable Steps to Cure Breach.** In addition to the right to terminate this Agreement and Underlying Contract pursuant to section B, above, ETF may provide SIERRA INC. with an opportunity to cure the material breach. If these efforts to cure the material breach are

unsuccessful, as determined by ETF in its sole discretion, ETF may terminate the Underlying Contract and this Agreement, as soon as administratively feasible.

**D. Effect of Termination: Return or Destruction of Protected Health Information.**

Upon termination, cancellation, expiration, or other conclusion of the Agreement, SIERRA INC. shall:

1. Return to ETF or, if return is not feasible, destroy all Personal Information in whatever form or medium that SIERRA INC. received from or created on behalf of ETF. This provision shall also apply to all Personal Information that is in the possession of subcontractors or agents of SIERRA INC... In such case, SIERRA INC. shall retain no copies of such information, including any compilations derived from and allowing identification of Personal Information. SIERRA INC. shall complete such return or destruction as promptly as possible, but not more than thirty (30) days after the effective date of the conclusion of this Agreement. Within such thirty (30) day period, SIERRA INC. shall provide written documentation that such return or destruction has been completed, including such return or destruction by any subcontractors or agents of SIERRA INC.
2. If SIERRA INC. destroys Personal Information, it shall be done with the use of technology or methodology that renders the Personal Information unusable, unreadable, or undecipherable to unauthorized individuals as specified by HHS in HHS guidance for the destruction of Protected Health Information. Acceptable methods for destroying Personal Information include: (i) paper, film, or other hard copy media shredded or destroyed in order that Personal Information cannot be read or reconstructed; and (ii) electronic media cleared, purged or destroyed consistent with the standards of the National Institute of Standards and Technology (NIST). HHS specifically excluded redaction as a method of destruction of Protected Health Information, unless the information is properly redacted so as to be fully de-identified.
3. If SIERRA INC. believes that the return or destruction of Personal Information is not feasible, SIERRA INC. shall provide written notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction is not feasible, SIERRA INC. shall extend the protections of this Agreement to Personal Information received from or created on behalf of ETF, and limit further uses and disclosures of such Personal Information, for so long as SIERRA INC. maintains the Personal Information.

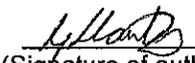
- E. Agreement to Amend Agreement.** The parties to this contract acknowledge that federal laws relating to transactions, security and privacy are rapidly evolving and that amendment to this Agreement may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, HITECH and their implementing regulations. Upon the request of either party, the other party agrees to promptly enter into negotiations concerning the terms of an amendment to this Agreement embodying written assurances consistent with the standards and requirements of HIPAA, HITECH and applicable federal regulations. If this Agreement is not amended by the effective date of any final regulation or amendment to final regulations with respect to HIPAA and HITECH, this Agreement will automatically be amended on such effective date such that the obligations they impose on SIERRA INC. remain in compliance with the regulations then in effect.

## **PART IV – GENERAL PROVISIONS**

- A. **Conflict.** The provisions of this Agreement override and control any conflicting provision of the Underlying Contract. All non-conflicting provisions of the Underlying Contract remain in full force and effect.
- B. **Election to Not Treat As Representative.** Nothing in this Agreement shall be construed to limit the discretion of ETF, under 45 C.F.R. § 164.502 (g) (5), to elect not to treat a person as the representative of an individual.
- C. **No Third Party Beneficiaries.** Nothing expressed or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any entity other than ETF and SIERRA INC., any rights, remedies, obligations or liabilities whatsoever.
- D. **Documentation.** All documentation that is required by this Agreement or by 45 C.F.R. Part 164 will be retained by SIERRA INC. for six (6) years from the date of creation or when it was last in effect, whichever is longer.
- E. **Survival.** The parties' obligations and rights, with respect to SIERRA INC.'s engagement to provide services, will be unaffected by the termination of the Underlying Contract and this Agreement. In particular, the provisions of Part III, Sections D and E, and this section, shall survive termination of the Underlying Contract and this Agreement.

Company Name SIERRA SYSTEMS INC. Date: 06/06/2013

Authorized Person GAYLYN LANTON Phone: \_\_\_\_\_  
(Print or type)

  
(Signature of authorized person)