



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

CONTRACT CHANGE NOTICE

Change Notice Number **8**

to

Contract Number **071B1300051**

CONTRACTOR	HEALTH SERVICES ADVISORY GROUP
	3133 East Camelback Road, Suite 300
	Phoenix, AZ 85016-4501
	Mary Ellen Dalton
	(602) 264-4382
	mdalton@hsag.com
	*****0007

STATE	Program Manager	Kevin Dunn	MDHHS
		(517) 335-5096	
		dunnk3@Michigan.gov	
	Contract Administrator	Joshua Wilson	DTMB
		(517) 284-7027	
		wilsonj31@michigan.gov	

CONTRACT SUMMARY

DEPARTMENT OF HEALTH AND HUMAN SERVICES (DHHS) - CUSTOMER SATISFACTION SURVEY

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2010	September 30, 2013	2 - 1 Year	June 30, 2017
PAYMENT TERMS		DELIVERY TIMEFRAME	
0.5%NET15 and NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$1,714,097.00	\$400,000.00	\$2,114,097.00		

DESCRIPTION

Effective February 10, 2017, this Contract is increased by \$400,000.00, and attached FY2017 Consumer Assessment of Healthcare Providers and Systems (CAHPS) Surveys pricing is incorporated.

All other terms, conditions, specifications and pricing remain the same per Contractor and Agency agreement, and DTMB Procurement approval.

Michigan Department of Health and Human Services (MDHHS)

*FY 2017 Consumer Assessment of Healthcare
Providers and Systems (CAHPS) Surveys*



Cost Proposal

Health Services Advisory Group, Inc. (HSAG) proposes to conduct and report Consumer Assessment of Healthcare Providers and Systems (CAHPS®) Surveys for the **Michigan Department of Health and Human Services (MDHHS)** in fiscal year (FY) 2017.¹ The FY 2017 CAHPS Survey activities will include the **Adult Medicaid, Child Medicaid, Children’s Special Health Care Services (CSHCS), Integrated Care Organization (ICO), and Healthy Michigan Plan (HMP)** populations.

The FY 2017 **Adult Medicaid CAHPS Survey** activities will include administration of the CAHPS 5.0 Adult Medicaid Survey with the Healthcare Effectiveness Data and Information Set (HEDIS®) supplemental item set to the adult Fee-for-Service (FFS) population only and reporting of Adult FFS and Medicaid health plans (MHPs) CAHPS Survey results.²

The FY 2017 **Child Medicaid CAHPS Survey** activities will include administration of the CAHPS 5.0 Child Medicaid Survey without the Children with Chronic Conditions (CCC) measurement set (“CAHPS 5.0 Child Medicaid Survey”) to child Medicaid members enrolled in the FFS population and MHPs, as well as reporting of Child Medicaid FFS and MHP CAHPS Survey results.

The FY 2017 **CSHCS Survey** activities will include administration of the CSHCS Survey to CSHCS child members enrolled in the FFS populations (Medicaid and non-Medicaid) and MHPs, including reporting of the survey results. The FY 2017 CSHCS Survey instrument will be comparable to the survey instrument used in 2016 which was a modified version of the CAHPS 5.0 Survey with the HEDIS supplemental item set and CCC measurement set.

The FY 2017 **Adult ICO CAHPS Survey** activities will include administration of the CAHPS 5.0 Adult Medicaid Survey with the HEDIS supplemental item set to adult members dually eligible for Medicare and Medicaid (i.e., dual eligible adult members) enrolled in the seven (7) ICO health plans participating in Michigan’s Medicare-Medicaid Dual Eligible Demonstration project, as well as reporting of CAHPS survey results in a single aggregate report with plan-specific findings.

The FY 2017 **Adult HMP CAHPS Survey** activities will include administration of the CAHPS 5.0 Adult Medicaid Survey with the HEDIS supplemental item set to adult members enrolled in the 11 HMP health plans participating in Michigan’s Medicaid expansion program, as well as reporting of CAHPS survey results in a single aggregate report with plan-specific findings.

The following assumptions are included in HSAG’s cost proposal for the FY 2017 Adult Medicaid, Child Medicaid, CSHCS, ICO, and HMP CAHPS Survey activities:

1. CAHPS Survey administration protocol will be followed using a mixed mode methodology consisting of two (2) questionnaire mailings, two (2) reminder postcard mailings, and up to three (3) phone attempts.
2. The surveys will be administered in English with the option to complete a survey in Spanish. The English survey cover letters will be printed in English on one side and Spanish on the reverse side with a toll-free number that members can call to request to complete a Spanish version of the survey.

¹ CAHPS® is a registered trademark of the Agency for Healthcare Research and Quality (AHRQ).

² HEDIS® is a registered trademark of the National Committee for Quality Assurance (NCQA).

3. Up to five (5) supplemental questions may be added to the CAHPS survey questionnaire (all closed-ended) administered to each surveyed population. The survey questionnaires will be no longer than 8 pages in length.
4. **HSAG will conduct Adult Medicaid CAHPS Surveys for one (1) sample of the adult FFS population** (i.e., one adult FFS sample). *All 11 adult MHPs will contract with separate survey vendors to administer the Adult CAHPS Surveys to their own adult Medicaid populations.*
 - a. For the Adult FFS CAHPS Survey, a sample of **1,350 adult members** will be selected from the adult FFS population.
5. **HSAG will conduct Child Medicaid CAHPS Surveys for one (1) child FFS population and 11 child MHPs** for a total of up to 12 child Medicaid samples.
 - a. For the Child Medicaid FFS and MHP CAHPS Surveys, a sample of **up to 1,650 child members** will be selected from the child FFS population and each MHP to be surveyed by HSAG.
6. **HSAG will conduct CSHCS Surveys for two (2) FFS populations and nine (9) MHPs** for a total of up to 11 CSHCS child samples.
 - a. For the CSHCS FFS population, one (1) sample of **1,650 child members** from Medicaid population and one (1) sample of **1,650 child members** from non-Medicaid population will be selected, for a total up to 3,300 surveys.
 - b. For the CSHCS MHP population, nine (9) samples (one for each MHP plan) of sample size **no greater than 1,200**, on average will be selected. Sample sizes will vary by MHP based on each individual MHP's total eligible population of CSHCS child members. Total number of surveys not to exceed 10,800 surveys.
7. **HSAG will conduct Adult CAHPS Surveys for seven (7) ICO health plans** participating in Michigan's Medicare-Medicaid Dual Eligible Demonstration project for a total of up to seven (7) plan-level samples.
 - a. For the Adult ICO CAHPS Surveys, a sample of **up to 1,350 adult members** will be selected from each ICO health plan to be surveyed by HSAG.
8. **HSAG will conduct Adult CAHPS Surveys for 11 HMP health plans** participating in Michigan's Medicaid expansion program for a total of up to 11 plan-level samples.
 - a. For the Adult HMP CAHPS Surveys, a sample of **up to 1,350 adult members** will be selected from each HMP health plan to be surveyed by HSAG. Total number of surveys not to exceed 14,850 surveys.
9. For the **Adult Medicaid CAHPS Survey**, HSAG will produce **one (1) Adult Medicaid Statewide Report** with aggregate and plan-specific findings and crosstabulations representing adult FFS CAHPS Survey results and survey results for the 11 MHPs. *The 11 MHPs will submit the adult MHP CAHPS Survey results in the format requested to HSAG for inclusion in the report.*
10. For the **Child Medicaid CAHPS Survey**, HSAG will produce **one (1) Child Medicaid Statewide Report** with aggregate and plan-specific findings and crosstabulations representing child FFS CAHPS Survey results and survey results for the 11 MHPs.
11. For the **CSHCS Survey**, HSAG will produce **one (1) CSHCS Statewide Report** with aggregate and plan-specific findings and crosstabulations representing CSHCS Survey results for CSHCS child members enrolled in FFS and nine (9) MHPs.
12. For the **Adult ICO CAHPS Survey**, HSAG will produce **one (1) Adult ICO Statewide Report** with aggregate and plan-specific findings and crosstabulations representing Adult CAHPS Survey results for adult dual eligible members enrolled in the seven (7) ICO health plans.

13. For the **Adult HMP CAHPS Survey**, HSAG will produce **one (1) Adult HMP Statewide Report** with aggregate and plan-specific findings and crosstabulations representing Adult CAHPS Survey results for adult members enrolled in the 11 HMP health plans.
14. Assumes MDHHS/MHPs/ICO/HMP/CSHCS health plans will provide sample frame files for all populations to be surveyed. Sample frame files will be clean and require no reworking.
 - a. For the child MHPs, assumes that the provided child Medicaid CAHPS survey sample frame files will have been validated by an NCQA Certified HEDIS Auditor.
15. Sample frame and address phone number information will be updated by the Subcontractor using the National Change of Address (NCOA) database system, TeleMatch, etc.
16. **HSAG will submit Child Medicaid CAHPS Survey data for up to 11 child MHPs to NCQA.** Survey data for the adult and child FFS Medicaid populations, CSHCS FFS and MHP populations, ICO health plans, and HMP health plans will not be submitted to NCQA.
17. **HSAG will submit CAHPS Survey data for adult FFS Medicaid, child FFS Medicaid, and 11 child MHPs to NCBD**, if NCBD data submission is available. Survey data for the CSHCS FFS and MHP populations, ICO health plans, and HMP health plans will not be submitted to NCBD.
18. HSAG will provide MDHHS with weekly disposition reports during the survey fielding period for each surveyed population.
19. Deliverables will include five (5) statewide reports (i.e., Adult Medicaid, Child Medicaid, CSHCS, Adult ICO, and Adult HMP statewide reports) with aggregate and plan-specific findings, de-identified member-level raw data files, and tab and banner books (crosstabulations). *This cost proposal also includes production and delivery of trend table reports for the adult and child FFS and MHP populations, as well as CSHCS FFS and MHP populations. The trend table reports will be analogous to those produced for MDHHS in previous years and provided in electronic format only.*
20. A maximum of 50 printed, hard copies of the final Adult Medicaid Statewide Report and Child Medicaid Statewide Report will be provided to MDHHS. A maximum of 75 printed, hard copies of the final CSHCS Statewide Report and a maximum of 35 printed, hard copies of the final Adult ICO Statewide Report and Adult HMP Statewide Report will be provided to MDHHS.
21. HSAG anticipates subcontracting with DataStat, Inc. to assist in survey administration activities.



Based on the assumptions outlined above, the estimated costs for the FY 2017 Adult Medicaid, Child Medicaid, CSHCS, ICO, and HMP CAHPS Survey activities are shown below.

Activity	Survey Cost
FFS – Adult Medicaid CAHPS Survey	\$19,427
FFS – Child Medicaid CAHPS Survey	\$21,549
MHP – Adult Medicaid Statewide Report	\$4,966
MHP – Child Medicaid CAHPS Surveys	\$201,317
FFS – CSHCS Survey	\$37,989
MHP – CSHCS Surveys	\$119,610
ICO – Adult CAHPS Surveys	\$109,611
HMP – Adult CAHPS Surveys	\$152,033
FFS – CSHCS Survey (2016 work completed in FY 2017)	\$21,205
Total Cost	\$687,707

HSAG appreciates the opportunity to provide a cost estimate to MDHHS. Please contact Amber Saldivar *Director, Analytics*, at 602-801-6822 or asaldivar@hsag.com for additional questions regarding this proposal.



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

CONTRACT CHANGE NOTICE

Change Notice Number 7

to

Contract Number 071B1300051

CONTRACTOR	HEALTH SERVICES ADVISORY GROUP
	3133 East Camelback Road, Suite 300
	Phoenix, AZ 85016-4501
	Mary Ellen Dalton
	(602) 264-4382
	mdalton@hsag.com
	*****0007

STATE	Program Manager	Kevin Dunn	MDHHS
		(517) 335-5096	
		dunnk3@Michigan.gov	
	Contract Administrator	Joshua Wilson	DTMB
		(517) 284-7027	
		wilsonj31@michigan.gov	

CONTRACT SUMMARY				
DEPARTMENT OF HEALTH AND HUMAN SERVICES (DHHS) - CUSTOMER SATISFACTION SURVEY				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
October 1, 2010	September 30, 2013	2 - 1 Year	September 30, 2016	
PAYMENT TERMS		DELIVERY TIMEFRAME		
0.5% NET 15		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input checked="" type="checkbox"/>	9 Months	June 30, 2017
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$1,714,097.00	\$0.00	\$1,714,097.00		
DESCRIPTION				
Effective October 1, 2016, this Contract is hereby extended nine (9) months per Section 2.171 Contractor Transition Responsibilities. The revised expiration date is June 30, 2017.				
Please note the Buyer/CA has been changed to Joshua Wilson (Section 2.021).				
All other terms, conditions, specifications and pricing remain the same. Per agency request and contractor agreement, and DTMB Procurement approval.				

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 4890
 OR
 525 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 6
 to
CONTRACT NO. 071B1300051
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
HEALTH SERVICES ADVISORY GROUP 3133 East Camelback Road, Suite 300 Phoenix AZ 85016-4501	Mary Ellen Dalton	mdalton@hsag.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(602) 264-4382	0007

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DHHS	Dunn, Kevin	517-335-5096	dunnk3@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Jillian Yeates	(517) 284-7019	yeatesj@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Customer Satisfaction Survey for DCH			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE (S) NOTED BELOW
October 01, 2010	September 30, 2013	2, 1 year	September 30, 2015
PAYMENT TERMS		DELIVERY TIMEFRAME	
0.5% 15 Days		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P Card: <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXPIRATION DATE
<input type="checkbox"/>		<input checked="" type="checkbox"/>	1 Year	September 30, 2016
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$1,023,737.00		\$690,360.00	\$1,714,097.00	

DESCRIPTION:
 Effective September 30, 2015, this Contract is hereby extended 1 year and increased by \$690,360.00. The new Contract expiration date is September 30, 2016. Additionally, this Contract is incorporating the attached Proposal dated May 6, 2015 for FY 2015-2016 Consumer Assessment of Healthcare Providers and Systems (CAHPS) Surveys. Please note, the Buyer has been changed to Jillian Yeates. All other terms, conditions, specifications, and pricing remain the same. Per vendor and agency agreement, and DTMB Procurement approval.

Health Services Advisory Group, Inc.

Cost Proposal for:

**Michigan Department of Health
and Human Services (MDHHS)**

**FY 2015-2016 Consumer Assessment of
Healthcare Providers and Systems (CAHPS)
Surveys**

May 6, 2015



3133 East Camelback Road, Suite 100 Phoenix, Arizona 85016
Phone 602.264.6382 • Fax 602.241.0757



Cost Proposal

Health Services Advisory Group, Inc. (HSAG) proposes to conduct and report Consumer Assessment of Healthcare Providers and Systems (CAHPS®) Surveys for the Michigan Department of Health and Human Services (MDHHS) in fiscal year (FY) 2015-2016.¹ The FY 2015-2016 CAHPS Survey activities will include the Adult Medicaid, Child Medicaid, Children's Special Health Care Services (CSHCS), Integrated Care Organization (ICO), and Healthy Michigan Plan (HMP) populations.

The FY 2015-2016 Adult Medicaid CAHPS Survey activities will include administration of the CAHPS 5.0 Adult Medicaid Survey with the Healthcare Effectiveness Data and Information Set (HEDIS®) supplemental item set to the adult Fee-for-Service (FFS) population only and reporting of Adult FFS and Medicaid health plans (MHPs) CAHPS Survey results.²

The FY 2015-2016 Child Medicaid CAHPS Survey activities will include administration of the CAHPS 5.0 Child Medicaid Survey without the Children with Chronic Conditions (CCC) measurement set ("CAHPS 5.0H Child Medicaid Survey") to child Medicaid members enrolled in the FFS population and MHPs, as well as reporting of Child Medicaid FFS and MHP CAHPS Survey results.

The FY 2015-2016 CSHCS Survey activities will include administration of the CSHCS Survey to CSHCS child members enrolled in the FFS population and MHPs, including reporting of the survey results. The FY 2015-2016 CSHCS Survey instrument will be comparable to the survey instrument used in 2014, which was a modified version of the CAHPS 5.0 Survey with the HEDIS supplemental item set and CCC measurement set.

The FY 2015-2016 Adult ICO CAHPS Survey activities will include administration of the CAHPS 5.0 Adult Medicaid Survey with the HEDIS supplemental item set to adult members dually eligible for Medicare and Medicaid (i.e., dual eligible adult members) enrolled in the eight (8) ICO health plans participating in Michigan's Medicare-Medicaid Dual Eligible Demonstration project, as well as reporting of CAHPS survey results for each participating health plan.

The FY 2015-2016 Adult HMP CAHPS Survey activities will include administration of the CAHPS 5.0 Adult Medicaid Survey with the HEDIS supplemental item set to adult members enrolled in the 13 HMP health plans participating in Michigan's Medicaid expansion program, as well as reporting of CAHPS survey results for each participating health plan.

The following assumptions are included in HSAG's cost proposal for the FY 2015-2016 Adult Medicaid, Child Medicaid, CSHCS, ICO, and HMP CAHPS Survey activities:

1. CAHPS Survey administration protocol will be followed using a mixed mode methodology consisting of two (2) questionnaire mailings, two (2) reminder postcard mailings, and up to three (3) phone attempts. *Please note that the increase in postage for 2016 is included in this cost proposal.*

¹ CAHPS® is a registered trademark of the Agency for Healthcare Research and Quality (AHRQ).

² HEDIS® is a registered trademark of the National Committee for Quality Assurance (NCQA).



2. The surveys will be administered in English and Spanish. The English survey cover letters will be printed in English on one side and Spanish on the reverse side with a toll-free number that members can call to request to complete a Spanish version of the survey.
3. Up to five (5) supplemental questions may be added to the CAHPS survey questionnaire (all closed-ended) administered to each surveyed population. The survey questionnaires will be no longer than 8 pages in length.
4. HSAG will conduct Adult Medicaid CAHPS Surveys for one (1) sample of the adult FFS population (i.e., one adult FFS sample). *All 13 adult MHPs will contract with separate survey vendors to administer the Adult CAHPS Surveys to their own adult Medicaid populations.*
 - a. For the Adult FFS CAHPS Survey, a sample of 1,350 adult members will be selected from the adult FFS population.
5. HSAG will conduct Child Medicaid CAHPS Surveys for one (1) child FFS population and 13 child MHPs for a total of up to 14 child Medicaid samples.
 - a. For the Child Medicaid FFS and MHP CAHPS Surveys, a sample of up to 1,650 child members will be selected from the child FFS population and each MHP to be surveyed by HSAG.
6. HSAG will conduct CSHCS Surveys for one (1) FFS population and 12 MHPs for a total of up to 13 CSHCS child samples. As requested for the CSHCS Surveys, HSAG has developed a sampling plan to allow for plan-level sampling. Based on current CSHCS enrollment numbers provided by MDHHS, the following table provides a summary of the estimated sample sizes for the CSHCS population for FFS and each MHP. *Please note, an increase in the sample sizes (i.e., increase in the number of CSHCS child members to be surveyed) will require a modification of this cost proposal.*

Population	Estimated Sample Size
Children's Special Health Care Services	
Fee-for-Service	1,650
Blue Cross Complete of Michigan	439
CoventryCares	270
HAP --Midwest Health Plan	952
HealthPlus Partners	851
McLaren Health Plan	1,372
Meridian Health Plan of Michigan	1,650
Molina Healthcare of Michigan	1,650
Sparrow PHP	266
Priority Health Choice	1,101
Total Health Care	427
United Healthcare Community Plan	1,650
Upper Peninsula Health Plan	376
Total	12,654*

**The total sample size is based on the estimated sample sizes listed for FFS and each MHP.*

7. HSAG will conduct Adult CAHPS Surveys for eight (8) ICO health plans participating in Michigan's Medicare-Medicaid Dual Eligible Demonstration project for a total of up to eight (8) plan-level samples.
 - a. For the Adult ICO CAHPS Surveys, a sample of up to 1,350 adult members will be selected from each ICO health plan to be surveyed by HSAG.
8. HSAG will conduct Adult CAHPS Surveys for 13 HMP health plans participating in Michigan's Medicaid expansion program for a total of up to 13 plan-level samples.
 - a. For the Adult HMP CAHPS Surveys, a sample of up to 1,350 adult members will be selected from each HMP health plan to be surveyed by HSAG.
9. For the Adult Medicaid CAHPS Survey, HSAG will produce one (1) Adult Medicaid Statewide Report with aggregate and plan-specific findings and crosstabulations representing adult FFS CAHPS Survey results and survey results for the 13 MHPs. *The 13 MHPs will submit the adult MHP CAHPS Survey results in the format requested to HSAG for inclusion in the report.*
10. For the Child Medicaid CAHPS Survey, HSAG will produce one (1) Child Medicaid Statewide Report with aggregate and plan-specific findings and crosstabulations representing child FFS CAHPS Survey results and survey results for the 13 MHPs.
11. For the CSHCS Survey, HSAG will produce one (1) CSHCS Statewide Report with aggregate and plan-specific findings and crosstabulations representing CSHCS Survey results for CSHCS child members enrolled in FFS and 12 MHPs.
12. For the Adult ICO CAHPS Survey, HSAG will produce one (1) Adult ICO Statewide Report with aggregate and plan-specific findings and crosstabulations representing Adult CAHPS Survey results for adult dual eligible members enrolled in the eight ICO health plans.
13. For the Adult HMP CAHPS Survey, HSAG will produce one (1) Adult HMP Statewide Report with aggregate and plan-specific findings and crosstabulations representing Adult CAHPS Survey results for adult members enrolled in the 13 HMP health plans.
14. Assumes MDHHS/MHPs/ICO/HMP health plans will provide sample frame files for all populations to be surveyed. Sample frame files will be clean and require no reworking.
 - a. For the child MHPs, assumes that the provided child Medicaid CAHPS survey sample frame files will have been validated by an NCQA Certified HEDIS Auditor.
15. Sample frame and address phone number information will be updated by the Subcontractor using the National Change of Address (NCOA) database system, TeleMatch, etc.
16. HSAG will submit Child Medicaid CAHPS Survey data for up to 13 child MHPs to NCQA. Please note the anticipated increased costs for submission of 2016 CAHPS data to NCQA is included in this cost proposal. Survey data for the adult and child FFS populations, CSHCS FFS and MHP populations, and ICO and HMP health plans will not be submitted to NCQA.
17. HSAG will submit CAHPS Survey data for adult FFS, child FFS, and 13 child MHPs to NCBD, if NCBD data submission is available. Survey data for the CSHCS FFS and MHP populations, and ICO and HMP health plans will not be submitted to NCBD.
18. HSAG will provide MDHHS with weekly disposition reports during the survey fielding period for each surveyed population.
19. Deliverables will include five (5) statewide reports (i.e., Adult Medicaid, Child Medicaid, CSHCS, Adult ICO, and Adult HMP statewide report) with aggregate and plan-specific findings, de-identified member-level raw data files, and tab and banner books (crosstabulations). *This cost*



proposal also includes production and delivery of trend table reports for the adult and child FFS and MHP populations, as well as CSHCS FFS and MHP populations. The trend table reports will be analogous to those produced for MDHHS in previous years and provided in electronic format only.

- 20. A maximum of 50 printed, hard copies of the final Adult Medicaid Statewide Report and Child Medicaid Statewide Report will be provided to MDHHS. A maximum of 75 printed, hard copies of the final CSHCS Statewide Report and a maximum of 35 printed, hard copies of the final Adult ICO Statewide Report and Adult HMP Statewide Report will be provided to MDHHS.
- 21. HSAG anticipates subcontracting with DataStat, Inc. to assist in survey administration activities.

Based on the assumptions outlined above, the estimated costs for the FY 2015-2016 Adult Medicaid, Child Medicaid, CSHCS, ICO, and HMP CAHPS Survey activities are shown below.

Activity	Survey Cost
FFS – Adult Medicaid CAHPS Survey	\$18,774
FFS – Child Medicaid CAHPS Survey	\$20,930
MHP – Adult Medicaid Statewide Report	\$3,976
MHP – Child Medicaid CAHPS Surveys	\$214,594
FFS – CSHCS Survey	\$20,930
MHP – CSHCS Surveys	\$127,375
ICO – Adult CAHPS Surveys	\$115,622
HMP – Adult CAHPS Surveys	\$168,159
Total Cost	\$690,360

HSAG appreciates the opportunity to provide a cost estimate to MDHHS. Please contact Tim Laios, *Chief Data Officer and Vice President, Analytics and Informatics*, at 602-801-6810 or tlaios@hsag.com for additional questions regarding this proposal.

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

CHANGE NOTICE NO. 5

to

CONTRACT NO. 071B1300051

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Health Services Advisory Group 3133 East Camelback Road, Suite 300 Phoenix, AZ 85016-4501	Mary Ellen Dalton	mdalton@hsag.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(602) 264-6382	0007

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DCH	Kevin Dunn	517-335-5096	dunnk3@michigan.gov
BUYER	DTMB	Chelsea Edgett	517-284-7031	EdgettC@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Customer Satisfaction Survey - DCH			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2010	September 30, 2013	2, 1 Year Options	September 30, 2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
0.5% 15 Days	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MIDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		September 30, 2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$5,324.00		\$1,023,737.00		

Effective April 1, 2015, this Contract is incorporating the attached Proposal dated January 29, 2015 for an additional analysis of Michigan's Children's Special Health Care Services (CSHCS) Survey Sample for the Fee-for-Service (FFS) population. Additionally, the Buyer has been changed to Chelsea Edgett. All other terms, conditions, specifications, and pricing remain the same. Per vendor and agency agreement, DTMB

Procurement approval.

Health Services Advisory Group, Inc.

Cost Proposal for:

**Michigan Department of
Community Health (MDCH)**

Children's Special Health Care Services
(CSHCS) Surveys Additional Analysis and
Reporting

January 29, 2015



3133 East Camelback Road, Suite 100, Phoenix, Arizona 85016

Phone 602.264.6382 • Fax 602.241.0757



1/29/2015

Cost Proposal

In order to address the issues identified with the 2014 Michigan **Children's Special Health Care Services (CSHCS)** Survey sample for the **Fee-for-Service (FFS)** population provided by the **Michigan Department of Community Health (MDCH)** to Health Services Advisory Group (HSAG), HSAG is able to conduct an additional analysis of the FFS CSHCS Survey results for MDCH that excludes managed care beneficiaries. The purpose of this Cost Proposal is to provide MDCH with the additional cost required to perform this additional analysis and reporting of the 2014 FFS CSHCS Survey results. The cost proposal would be in addition to the current 2014 CSHCS Survey funding provided to HSAG by MDCH.

The following assumptions are included in HSAG's Cost Proposal for the additional FFS CSHCS Survey analysis and reporting:

1. HSAG will recalculate the FFS CSHCS survey results already collected as part of the 2014 CSHCS Survey administration to exclude Medicaid Health Plan (MHP) CSHCS members included in the FFS respondents.
2. Pricing includes analysis of CSHCS survey data for FFS beneficiaries only (i.e., CSHCS MHP data will not be recalculated).
3. The recalculated FFS CSHCS survey results will be incorporated into the existing 2014 CSHCS Survey Aggregate Report.
4. HSAG will prepare updated FFS CSHCS member-level data file to exclude MHP members.
5. HSAG will provide MDCH with the final CSHCS Survey Aggregate Report and updated FFS CSHCS member-level data 30 days after the analysis of the FFS CSHCS survey results is completed.
6. Survey administration is not included in this pricing.

Based on the assumptions outlined above, the estimated cost for the additional CSHCS survey analysis and reporting activities is shown below.

Additional Analysis and Reporting Cost Estimate
\$5,324

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

CHANGE NOTICE NO. 4
 to
CONTRACT NO. 071B1300051
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Health Services Advisory Group 3133 East Camelback Road, Suite 300 Phoenix, AZ 85016-4501	Mary Ellen Dalton	mdalton@hsag.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(602) 264-6382	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DCH	Kevin Dunn	517-335-5096	dunnk3@michigan.gov
BUYER	DTMB	Brandon Samuel	517-284-7025	samuelb@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Customer Satisfaction Survey - DCH			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2010	September 30, 2013	2, 1 Year Options	September 30, 2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
0.5% 15 Days	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		September 30, 2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$230,146.00		\$1,018,413.00		

Effective February 3, 2015, this Contract is hereby INCREASED by \$230,146.00. All other terms, conditions, specifications, and pricing remain the same. Per vendor and agency agreement, DTMB Procurement approval, and State Administrative Board approval on February 3, 2015.

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

CHANGE NOTICE NO. 3
to
CONTRACT NO. 071B1300051
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Health Services Advisory Group 3133 East Camelback Road, Suite 300 Phoenix, AZ 85016-4501	Mary Ellen Dalton	mdalton@hsag.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(602) 264-6382	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DCH	Kevin Dunn	517-335-5096	dunnk3@michigan.gov
BUYER	DTMB	Brandon Samuel	517-284-7025	samuelb@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Customer Satisfaction Survey - DCH			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2010	September 30, 2013	2, 1 Year Options	September 30, 2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
0.5% 15 Days	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1 Year	September 30, 2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$21,604.00		\$788,267.00		

Effective October 1, 2014, this Contract is exercising the final Contract option year and is increased by \$21,604.00. The revised Contract expiration date is September 30, 2015 and the attached Proposal dated August 4, 2014 is incorporated.

Additionally, the Contract Compliance Inspector has been changed to Kevin Dunn.

All other terms, conditions, specifications, and pricing remain the same.

Per agency and vendor agreement and DTMB Procurement approval.

Health Services Advisory Group, Inc.

Cost Proposal for:

**Michigan Department of
Community Health (MDCH)**

**FY 2014-2015 Consumer Assessment of
Healthcare Providers and Systems (CAHPS)
Surveys**

August 4, 2014



3133 East Camelback Road, Suite 300 Phoenix, Arizona 85016
Phone 602.264.6582 • Fax 602.241.0757

Cost Proposal

Health Services Advisory Group, Inc. (HSAG) proposes to conduct and report Consumer Assessment of Healthcare Providers and Systems (CAHPS[®]) Surveys for the Michigan Department of Community Health (MDCH) in fiscal year (FY) 2014-2015.¹

The FY 2014-2015 Adult Medicaid CAHPS Survey activities will include administration of the CAHPS 5.0 Adult Medicaid Survey with the Healthcare Effectiveness Data and Information Set (HEDIS[®]) supplemental item set to the adult Fee-for-Service (FFS) population only and reporting of Adult FFS and Medicaid health plans (MHPs) CAHPS Survey results.

The following assumptions are included in HSAG's cost proposal for the FY 2014-2015 Adult Medicaid CAHPS Survey activities:

1. Survey administration protocol will be followed using a mixed mode methodology consisting of two (2) questionnaire mailings, two (2) reminder postcard mailings, and up to three (3) phone attempts.
2. The survey will be administered in English and Spanish. The English survey cover letters will be printed in English on one side and Spanish on the reverse side with a toll-free number that members can call to request a Spanish version of the survey. The Spanish survey cover letters will be printed in Spanish-only.
3. HSAG will conduct Adult CAHPS Surveys for one (1) adult FFS population (i.e., one adult FFS sample). A sample of 1,350 adult members will be selected from the adult FFS population. All 13 adult MHPs will contract with separate survey vendors to administer the adult CAHPS Surveys to their own adult populations.
4. HSAG will produce one (1) Adult Medicaid Statewide Report with aggregate and plan-specific findings and crosstabulations representing adult FFS CAHPS Survey results and survey results for the 13 MHPs. The 13 MHPs will submit the adult MHP CAHPS Survey results in the format requested to HSAG for inclusion in the report.
5. Assumes MDCH will provide the sample frame file for the adult FFS population to be surveyed. The sample frame file will be clean and require no reworking.
6. Sample frame and address phone number information will be updated by the Subcontractor using the National Change of Address (NCOA) database system, TeleMatch, etc.
7. Adult FFS CAHPS data will not be submitted to NCQA.
8. HSAG will provide MDCH with weekly disposition reports during the survey fielding period.
9. Deliverables will include one (1) report with aggregate and plan-specific findings, de-identified member-level raw data file, and tab and banner (crosstabulations) books.
10. A maximum of 20 printed, hard copies of the final report will be provided to MDCH.
11. HSAG anticipates subcontracting with DataStat, Inc. to assist in survey administration activities.

¹ CAHPS[®] is a registered trademark of the Agency for Healthcare Research and Quality (AHRQ).



Based on the assumptions outlined above, the estimated cost for the FY 2014-2015 Adult Medicaid CAHPS Survey activities are shown below.

Activity	Survey Cost
FFS – Adult Survey	\$17,993
Adult Medicaid Statewide Report	\$3,611
Total Cost	\$21,604

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

September 16, 2013

CHANGE NOTICE NO. 2
 to
CONTRACT NO. 071B1300051
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Health Services Advisory Group 3133 East Camelback Road, Suite 300 Phoenix, AZ 85016-4501	Mary Ellen Dalton	mdalton@hsag.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(602) 264-6382	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DCH	Greg Rivet	517-335-5096	rivetg@michigan.gov
BUYER	DTMB	Brandon Samuel	517-241-1218	samuelb@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Customer Satisfaction Survey - DCH			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2010	September 30, 2013	2, 1 Year Options	September 30, 2013
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
0.5% 15 Days	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1Year	September 30, 2014
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$326,055.00		\$766,663.00		

Effective immediately, this Contract is hereby INCREASED by \$326,055.00 and is utilizing the first option year available. The new end date is September 30, 2014.

All other terms, conditions, specifications, and pricing remain the same.

Per agency and vendor agreement, DTMB Procurement approval, and the approval of the State Administrative Board dated September 13, 2013.

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

September 16, 2013

CHANGE NOTICE NO. 2
 to
CONTRACT NO. 071B1300051
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Health Services Advisory Group 3133 East Camelback Road, Suite 300 Phoenix, AZ 85016-4501	Mary Ellen Dalton	mdalton@hsag.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(602) 264-6382	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DCH	Greg Rivet	517-335-5096	rivetg@michigan.gov
BUYER	DTMB	Brandon Samuel	517-241-1218	samuelb@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Customer Satisfaction Survey - DCH			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2010	September 30, 2013	2, 1 Year Options	September 30, 2013
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
0.5% 15 Days	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1Year	September 30, 2014
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$326,055.00		\$766,663.00		
Effective immediately, this Contract is hereby INCREASED by \$326,055.00 and is utilizing the first option year available. The new end date is September 30, 2014.				
All other terms, conditions, specifications, and pricing remain the same.				
Per agency and vendor agreement, DTMB Procurement approval, and the approval of the State Administrative Board dated September 13, 2013.				

FOR THE CONTRACTOR:

Health Services Advisory Group

Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Kevin Dunn, Services Division Director

Name/Title

DTMB Procurement

Enter Name of Agency

Date

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET February 28, 2012
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
 OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO.1
OF
CONTRACT NO. 071B1300051
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Health Services Advisory Group 3133 East Camelback Road, Suite 300 Phoenix, AZ 85016-4501 Email: mdalton@hsag.com	TELEPHONE (602) 264-6382 Mary Ellen Dalton
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1218 Brandon Samuel
Contract Compliance Inspector: Gregory Rivet (517) 335-5096 Customer Satisfaction Survey - DCH	
CONTRACT PERIOD: 3 yrs. + 2 one-year options From: October 1, 2010 To: September 30, 2013	
TERMS <p style="text-align: center;">0.5% 15 days</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Effective immediately, the revised Attachment A is hereby incorporated into this Contract.

All other terms, conditions specifications and prices remain unchanged.

AUTHORITY/REASON:

Per Agency request and DTMB Procurement's approval

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$440,608.00



Attachment A, Pricing
Modification Based on Change to Contract Year Two Scope of Work

Statewide Consumer Satisfaction Survey Pricing

Contract Year	Project #	Program	# of Populations	Sample Size	Unit Price	Total Price
First Contract Year	1-1	MHP – Adult Statewide Report	1	N/A	\$1,283.00	\$1,283.00
	1-2	MHP – Child	14	1650	\$7.47	\$172,557.00
	1-3	FFS- Adult	1 – Program Wide	1350	\$10.61	\$14,324.00
	1-4	FFS – Child	1 – Program Wide	1650	\$9.59	\$15,824.00
Total						\$203,988.00
Second Contract Year	2-1	MHP – Adult Statewide Report	1	N/A	\$1,339.00	\$1,339.00
	2-2	FFS – Adult	1 – Program Wide	1350	\$10.74	\$14,499.00
	2-3	CSHCS	1 – Program Wide	1500	\$10.01	\$15,015.00
	2-4 ¹	MHP – Child	14	1650	\$7.50	\$173,250.00
	2-5	FFS – Child	1 – Program Wide	1650	\$9.95	\$16,418.00
Total						\$220,521.00
Third Contract Year²	3-1	MHP – Adult Statewide Report	1	N/A	\$1,397.00	\$1,397.00
	3-3	FFS- Adult	1 – Program Wide	1350	\$10.89	\$14,702.00
Total						\$16,099.00
Grand Total						\$440,608.00

Cash Discount: 0.5% discount off invoice if paid within 15 days.

Unit Price = price per survey mailed, and should take into account all associated costs for conducting the full survey including sample selection, printing, mailing, telephone and mail follow-up, data entry, production of plan specific and aggregate reports for each program (project), as well as travel and administrative costs, and all other tasks as described in this Contract. All prices include the Contractor sample fees charged by NCQA if applicable.

The sample sizes are based on current CAHPS estimates. Final determination of sample sizes will be based on HEDIS/CAHPS protocol for each year.

¹ MHP – Child and FFS – Child survey activities moved from the Third Contract Year to the Second Contract Year per the request of MDCH on November 10, 2011.

² MHP – Child and FFS – Child survey activities (Projects #3-2 and #3-4, respectively) were moved from the Third Contract Year to the Second Contract Year.

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET **October 4, 2010**
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
 OR
530 W. ALLEGAN, LANSING, MI 48933

NOTICE
OF
CONTRACT NO. 071B1300051
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Health Services Advisory Group 3133 East Camelback Road, Suite 300 Phoenix, AZ 85016-4501	TELEPHONE (602) 264-4382
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1218 Brandon Samuel
Contract Compliance Inspector: Penny Saites saitesp@michigan.gov Customer Satisfaction Survey - DCH	
CONTRACT PERIOD: 3 yrs. + 2 one-year options From: October 1, 2010 To: September 30, 2013	
TERMS <p style="text-align: center;">0.5% 15 days</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION:	

The terms and conditions of this Contract are those of ITB #07110200194, this Contract Agreement and the vendor's quote dated August 25, 2010. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.

Estimated Contract Value: \$440,608.00

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

October 4, 2010

CONTRACT NO. 071B1300051
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR Health Services Advisory Group 3133 East Camelback Road, Suite 300 Phoenix, AZ 85016-4501	TELEPHONE (602) 264-4382 CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-1218 Brandon Samuel
Contract Compliance Inspector: Penny Saites saitesp@michigan.gov Customer Satisfaction Survey - DCH	
CONTRACT PERIOD: 3 yrs. + 2 one-year options From: October 1, 2010 To: September 30, 2013	
TERMS <p style="text-align: center;">0.5% 15 days</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION: <p>The terms and conditions of this Contract are those of ITB #07110200194, this Contract Agreement and the vendor's quote dated August 25, 2010. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.</p> <p>Estimated Contract Value: \$440,608.00</p>	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. 07110200194. Orders for delivery will be issued directly by the Department of Community Health through the issuance of a Purchase Order Form.

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

FOR THE CONTRACTOR:

FOR THE STATE:

Health Services Advisory Group

 Firm Name

 Authorized Agent Signature

 Authorized Agent (Print or Type)

 Date

 Signature
Brandon Samuel, Buyer Specialist

 Name/Title
Services Division, Purchasing Operations

 Division

 Date



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

Contract No. [071B1300051](#)
[Customer Satisfaction Surveys for the](#)
[Michigan Department of Community Health](#)

Buyer Name: [Brandon Samuel](#)
Telephone Number: [517-241-1218](#)
E-Mail Address: samuelb@michigan.gov

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Attachment A, Pricing



DEFINITIONS

24x7x365 means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).

Additional Service means any Services within the scope of the Contract, but not specifically provided under any Statement of Work.

Audit Period means the seven year period following Contractor's provision of any work under the Contract.

Bidder(s) are those companies that submit a proposal in response to this RFP.

Business Day means any day other than a Saturday, Sunday or State-recognized legal holiday from 8:00am EST through 5:00pm EST unless otherwise stated.

Blanket Purchase Order is an alternate term for Contract and is used in the Plan Sponsors' computer system.

CCI means Contract Compliance Inspector.

Days means calendar days unless otherwise specified.

Deleted – N/A means that section is not applicable or included in this RFP. This is used as a placeholder to maintain consistent numbering.

Deliverable means physical goods and/or services required or identified in a Statement of Work.

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

Environmentally Preferable Products means a product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to: those which contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.

Hazardous Material means any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).

Incident means any interruption in any function performed for the benefit of a Plan Sponsor.

Key Personnel means any personnel identified in **Section 1.031** as Key Personnel.

New Work means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, such that once added will result in the need to provide the Contractor with additional consideration. "New Work" does not include Additional Service.

Ozone-depleting Substance means any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydrochlorofluorocarbons.

Post-Consumer Waste means any product generated by a business or consumer which has served its intended end use; and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.



Post-Industrial Waste means industrial by-products which would otherwise go to disposal and wastes generated after completion of a manufacturing process, but does not include internally generated scrap commonly returned to industrial or manufacturing processes.

Recycling means the series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.

Reuse means using a product or component of municipal solid waste in its original form more than once.

RFP means a Request for Proposal designed to solicit proposals for services.

Services means any function performed for the benefit of the State.

SLA means Service Level Agreement.

Source Reduction means any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.

State Location means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.

Subcontractor means a company selected by the Contractor to perform a portion of the Services, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.

Unauthorized Removal means the Contractor's removal of Key Personnel without the prior written consent of the State.

Waste Prevention means source reduction and reuse, but not recycling.

Pollution Prevention means the practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.

Work in Progress means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

Work Product refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by the Contract.



Article 1 – Statement of Work (SOW)

1.010 Project Identification

1.011 Project Request

This is a Contract for Consumer Assessment of Healthcare Providers and Systems (CAHPS®) surveys and reports for the Michigan Department of Community Health (MDCH).

MDCH requires that child beneficiaries enrolled in the Medicaid Health Plans (MHPs), Fee-for-Service (FFS), and Children Special Health Care Services (CSHCS) be surveyed biennially; and FFS Adults be surveyed annually by a National Committee for Quality Assurance (NCQA) certified Consumer Assessment of Healthcare Providers and Systems (CAHPS®) contractor experienced in CAHPS® survey methods and protocol.

All MHPs are required by contract to conduct annual satisfaction surveys of their adult enrollee population.

1.012 Background Medicaid Program

Beginning in January 1974, the State first offered beneficiaries the option of receiving their health care from a health maintenance organization (HMO).

Since 1997, MDCH began the implementation of its value based purchasing initiative of managed care known as the Comprehensive Health Care Program (CHCP). The CHCP was designed to enroll Medicaid beneficiaries into competitively bid full risk/shared risk capitated arrangements. MDCH has required MHPs to conduct annual adult satisfaction surveys since 1999 and has conducted child satisfaction surveys every other year since 1999.

As of March 2008, MDCH had a total of 1,107,373 Medicaid beneficiaries. Of these 1,052,062 were enrolled with MHPs and 24,045 were enrolled in FFS. The Contract requires that all MHPs conduct annual satisfaction surveys of their adult enrollee population. Additionally, as a result of the following factors, MHPs are required to conduct annual surveys:

- 1) applicable Centers for Medicare and Medicaid Services (CMS) waiver requirements for some Medicaid programs;
- 2) program management and oversight; and/or
- 3) legislative oversight requirements.

Current MHPs must hold and maintain accreditation as a managed care organization with the National Committee for Quality Assurance (NCQA) or Utilization Review Accreditation Committee (URAC). To seek and maintain NCQA accreditation health plans must collect and report current audited CAHPS® Adult Survey results annually.

In addition to accreditation information and Healthcare Effectiveness Data & Information Set (HEDIS®) measures, selected CAHPS® measures are an integral part of the annual Michigan Medicaid Managed Care Consumer Guide.

The Guide is provided to all new Medicaid enrollees and supports the Department’s initiatives to provide consumers, as well as policy makers and other stakeholders, with information about the quality of care and service provided to Medicaid managed care enrollees. Selected CAHPS® measures are also a part of the MDCH annual MHP Performance Bonus Award.

Children’s Special Health Care Services (CSHCS)

The Michigan Crippled Children Program was initiated by the State Legislature in 1927, with the Michigan Crippled Children Commission named as the official State agency for the program. The powers and duties of the Crippled Children Commission were expanded with the passage of Act 158 of the Public Acts of 1937. The Commission was transferred to the Michigan Department of Public Health in 1965 and is currently governed by Part 58, Act 368 of the Public Acts of 1978 (known as the Public Health Code). The name of the program was officially changed to Children’s Special Health Care Services (CSHCS) in 1988.



The State of Michigan, through the CSHCS program, provides access to specialty medical care for children and certain adults who meet specific medical eligibility criteria and require the care of pediatric or adult subspecialty physicians. The program’s mission has been to locate children with special health care needs, provide appropriate treatment services, and to the extent possible, prevent “crippling conditions”. Optimum, long-term health outcomes for children with special health care needs are central to the program’s mission, as defined by State legislation. The CSHCS program is also known as the Title V program.

About half of the 29,000 children and 400 adults enrolled in CSHCS are also enrolled in the Medicaid program. Medicaid provides preventive and primary healthcare, and CSHCS provides specialty care services for the CSHCS qualifying diagnosis. CSHCS enrollees who do not qualify for Medicaid are eligible only for specialty health care services related to their qualifying diagnosis under the CSHCS program. Medicaid and CSHCS also provide certain other services such as transportation when children meet specific criteria. Approximately 30,000 clients are enrolled in CSHCS.

As a result of the following factors, the State is required to conduct biennial satisfaction surveys of beneficiaries enrolled in CSHCS:

- 1) applicable CMS waiver requirements,
- 2) program management and oversight, and/or
- 3) legislative oversight requirements.

MDCH will be conducting a survey of this population biennially, beginning in 2012. Beneficiaries will be surveyed using the HEDIS/CAHPS® Child Survey. MDCH reserves the right to modify survey questions as allowable by NCQA.

1.020 Scope of Work and Deliverables

1.021 In Scope

The primary scope of this Contract is to conduct consumer satisfaction surveys of the adult and child FFS Medicaid, child Medicaid Managed Care, and CSHCS enrollees receiving services in MDCH health care programs.

Specific:

- The Contractor must have experience in survey research and implementation and be a NCQA certified vendor, experienced in CAHPS® survey methods and protocol, with the ability to conduct member satisfaction surveys which meet NCQA specifications for HEDIS® submission, as applicable.
- The Contractor must provide statistically valid data for comparisons between health plans in each MDCH program and for each population surveyed and provide information in a format which can be used in communicating program performance to consumers, health plans, the legislature, CMS, and state agencies via detailed, analytic reports. The information provided should aid participating health plans and programs in identifying areas for quality improvement efforts.
- The Contractor must develop a full analytic report of the adult MHP survey findings for each year of the contract, using each health plan’s CAHPS® member and summary level data provided by MDCH, the individual health plans, or their CAHPS® contractor.
- The Contractor must have access to and utilize national benchmarks in it’s comparative analysis of MHPs and FFS.
- The Contractor must be able to provide insight and recommendations regarding survey design, use and national survey activity changes.

1.022 Work and Deliverable

Contractor must provide Deliverables/Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:



1. The Contractor must have the ability to analyze survey data in a succinct and detailed yet easily understood manner and must report meaningful findings including, but not limited to, comparisons between MHPs, MDCH programs or populations, or year to year findings, as applicable.
2. The Contractor must develop program specific work plans in Microsoft Project for the MHP, FFS, and CSHCS programs. The plan should include, but not be limited to, a timeline for each survey project and associated tasks.
3. The Contractor must create databases(s) and commercial quality surveys, in either color or black and white with color highlights as designated by MDCH, administer survey tools, and collect data for the MHP, FFS, and CSHCS programs.
4. The Contractor must complete all data preparation, analyses, and delivery of reports for the MHP, FFS, and CSHCS programs. This includes analysis of the adult CAHPS survey data from each of the contracted MHPs and the development of a single Statewide report for each year of the Contract.
5. The Contractor must conduct the adult FFS survey each year of the Contract. Surveys of the MHP and FFS child populations will be conducted every other year beginning 10/1/2010. Surveys for the CSHCS population will also be conducted every other year beginning 10/1/2011.

A. FFS Adult Survey

1. For each Contract year, the Contractor must conduct a CAHPS® survey of adult Medicaid beneficiaries who are enrolled in the FFS program. (See Attachment A, Price Proposal). The most current CAHPS® protocol should be followed where appropriate and feasible, using the mixed methodology option for survey implementation.
2. The Contractor must use the eligible member files supplied to them by MDCH to construct the sample frames. The source for the sample frame will be MDCH administrative records. The questionnaire to be utilized for the survey of the adult FFS population will be the current adult version of the CAHPS® or CAHPS® FFS survey tool. (If no FFS version exists or is not applicable, the Contractor shall modify the available CAHPS® tool accordingly). The exact content of all survey tools and mailings will be subject to approval by MDCH.
3. The Contractor must describe alternative method(s) for checking beneficiary addresses to assist in ensuring the highest survey response rate possible. The sample frame records obtained from MDCH administrative records will contain beneficiary addresses.
4. The Contractor must also describe their process for telephone data collection for non-respondents which complies with NCQA protocol. The Contractor must propose alternative methods to obtain the telephone numbers, in the event that MDCH and/or the health plans cannot supply complete and accurate telephone lists.
5. The Contractor must maintain a toll-free telephone number that is accessible weekdays from 8 a.m. to 8 p.m. Eastern Standard time (EST) at all times during the data collection period. Trained personnel competent to handle questions pertaining to the purpose and completion of the survey must staff this number.
6. It is expected that the Contractor will obtain from NCQA the detailed file specifications, the data collection tool for reporting both aggregate and member level data, and the specifications to calculate the composite scores.
7. The Contractor is responsible for reporting all data as specified by NCQA, including response rates. All automated data tapes and other files submitted to NCQA, and/or MDCH must be cleaned, edited, and contain appropriate documentation to facilitate analysis. Due dates for all materials will reflect those as defined by NCQA and applicable for the reporting period.
8. The Contractor is responsible for the data entry, cleaning, analysis and proper storage of all results obtained, following NCQA protocol where applicable.



9. The Contractor is responsible for the production and delivery of the analysis report of the adult population. An initial draft version of the report is due to the MDCH Project Manager within one month of completion of the survey. It is expected that final report will be delivered within 90 days following survey completion. For CAHPS® surveys, survey completion is defined as receipt of NCQA validated member and summary level files by the Contractor.

B. MHP and FFS Child Surveys

1. The Contractor must conduct a CAHPS® survey of the child Medicaid beneficiaries who are in the FFS program and enrolled in the MHP. These populations will be surveyed biennially starting FY2011. (See Attachment A, Price Proposal, for a listing of the sample sizes and number of MHPs to be surveyed for the review period covered by this contract. The number of MHPs is subject to change each year).

Following the HEDIS/CAHPS® protocol, surveys must be conducted for each MHP and FFS child populations. Sources of the sample frame records will include the participating MHPs and MDCH administrative records. The Contractor must use the eligible member files supplied to them by MDCH and/or MHPs to construct the sample frames per NCQA specifications.

2. The Contractor must obtain verification from the MHP that a certified auditor has verified the sample frame. Each MHP's member files must be audited by a certified HEDIS® auditor prior to the constructing of the sample frame files.
3. The questionnaires to be utilized for the surveys must be the most current CAHPS® child survey (without the Children with Chronic Conditions (CCC) measurement set).
4. The Contractor must modify the managed care tool accordingly if no applicable FFS child survey tool exists.
5. The Contractor is responsible for seeking and documenting NCQA approval of each questionnaire version when required by HEDIS/CAHPS® protocol. The core questionnaires may include supplemental question modules as determined by MDCH. The exact content of all survey tools and mailings will be subject to approval by MDCH. Copies of the approval notices shall be provided to MDCH.
6. The Contractor must implement the CAHPS® child surveys and CAHPS® child FFS surveys according to the specifications as described in the current HEDIS® Specifications for Survey Measures, Volume 3, and/or subsequent versions, or as otherwise described by NCQA, using the mixed methodology option of mail, followed by telephone surveys for non-respondents.
7. Internet data collection is an option, however the awarding of this Contract is not subject to the Contractor's ability to conduct HEDIS® survey data using internet enhancement capabilities.
8. The Contractor must utilize standard questionnaires and cover letters provided by NCQA and modified by MDCH, as appropriate.
9. The Contractor must obtain prior NCQA approval for any modifications to the MHP child surveys and/or mailings.
10. The Contractor must provide the option of allowing respondents to the child survey to choose a Spanish version.
11. The sample frame records obtained from participating MHPs and MDCH administrative records will contain beneficiary addresses.
12. The Contractor will conduct survey administration and data collection for non-respondents that is in accordance with NCQA protocol. Approximately three weeks after the second survey mailing, telephone follow-up will be implemented for all non-responders to the mailed survey. Before the telephone portion of the survey administration begins, the Contractor will use a telephone number verification system for verifying the telephone numbers for each case.



13. In the event that MDCH and/or the health plans cannot supply complete and accurate telephone lists, the Contractor will use a telephone number verification system for verifying beneficiaries' telephone numbers approximately three weeks after the second survey mailing, before the telephone portion of the survey administration begins.
14. The Contractor must maintain a toll-free telephone number that is accessible weekdays from 8 a.m. to 8 p.m. Eastern Standard time (EST) at all times during the data collection period. Trained personnel competent to handle questions pertaining to the purpose and completion of the survey must staff this number.
15. The Contractor must obtain from NCQA the detailed file specifications, the data collection tool for reporting both aggregate and member level data, and the specifications to calculate the composite scores.
16. The Contractor is responsible for reporting all data as specified by NCQA, including response rates. All automated data tapes and other files submitted to NCQA, MDCH, and/or MHPs must be cleaned, edited, and contain appropriate documentation to facilitate analysis. Due dates for all materials shall reflect those as defined by NCQA and applicable for the reporting period.
17. The Contractor is responsible for the data entry, cleaning, analysis and proper storage of all results obtained, following NCQA protocol where applicable.
18. The Contractor is responsible for the production and delivery of separate analysis reports of the adult and child FFS and child MHP populations.
19. Initial draft versions of each report are due to the MDCH Project Manager within one month of completion of the surveys. It is expected that final reports will be delivered within 90 days following survey completion.
20. For CAHPS® surveys, survey completion is defined as receipt of NCQA validated member and summary level files by the Contractor.

C. MHP Adult CAHPS® Statewide Report

1. The Contractor must create a detailed analytical report using the adult CAHPS® member level and summary level survey data from each of the MHPs. The report must include an overall assessment summarizing each MHP's performance including comparisons to the MHP weighted and non weighted average score and/or current benchmarks for the ratings and composite measures, as well as other selected survey questions.
2. The Contractor, in collaboration with MDCH, must develop the communication document to MHPs requesting the data for this report.
3. The NCQA generated member and summary level files will be made available to the Contractor from MDCH, the individual MHPs and their CAHPS® contractor
4. The initial draft version of the report is due to the MDCH Project Manager within one month of the Contractor's receipt of the data files. It is expected that final reports will be delivered no later than 90 days following receipt of the data files

D. Children's Special Health Care Services

1. The Contractor must conduct a member satisfaction survey of beneficiaries enrolled in the CSHCS program biennially beginning 10/1/2011. (See Attachment A, Price Proposal, for a listing of the sample sizes for each of the review periods covered by this contract).
2. The Contractor must conduct surveys of the CSHCS population using the current HEDIS/CAHPS® Child Survey protocol as a framework.



3. The Contractor must use the eligible member files supplied to them by MDCH to construct the sample frames. Sources of the sample frame records will be MDCH administrative records. The questionnaires to be utilized for the surveys will be modifications of the current HEDIS/CAHPS® Child Survey as determined by MDCH with the Contractor's assistance.
4. The Contractor will be responsible for the formatting and production of the survey tool/questionnaire. The core questionnaires may include supplemental modules as determined by MDCH. The exact questionnaire content of all survey tools will be subject to approval by MDCH.
5. The Contractor will implement surveys with the guidance of HEDIS/CAHPS® specifications and protocol including two survey mailings with telephone follow-up and reminder postcards, modified as necessary for the populations being surveyed.
6. The Contractor will utilize pre-notification postcards, survey cover letters, and reminder postcards modified by MDCH as necessary. The cover letter sent with the second Questionnaire will differ from the letter sent with the first questionnaire.
7. The Contractor will be responsible for the development (sampling plan, sample frame, production of survey tool(s) and all respondent notices) and the implementation of the survey plan (creation of database(s), administration of survey tool(s) and collection of data).
8. The sample frame records obtained from MDCH administrative records will contain beneficiary addresses. Please describe alternative method(s) for checking beneficiary addresses to assist in ensuring the highest survey response rate possible.
9. The Contractor will conduct survey administration and data collection for non-respondents that is in accordance with NCQA protocol. Approximately three weeks after the second survey mailing, telephone follow-up will be implemented for all non-responders to the mailed survey. Before the telephone portion of the survey administration begins, the Contractor will use a telephone number verification system for verifying the telephone numbers for each case.
10. In the event that MDCH cannot supply complete and accurate telephone lists, the Contractor will use a telephone number verification system for verifying telephone numbers prior to survey administration beginning.
11. The Contractor must maintain a toll-free telephone number that is accessible weekdays from 8 a.m. to 8 p.m. Eastern Standard time (EST) at all times during the data collection period. Trained personnel competent to handle questions pertaining to the purpose and completion of the survey must staff this number.
12. The Contractor is responsible for the data entry, cleaning and analysis of all results obtained.
13. The Contractor is responsible for the production and delivery of an analysis report as defined by MDCH.
14. The initial draft version of the report is due to the MDCH Project Manager within one month of completion of the survey. It is expected that final reports will be delivered no later than 90 days following survey completion.

1.030 Roles and Responsibilities

1.031 Contractor and Staff Roles and Responsibilities

The following individuals are listed as Key Personnel for this Contract.

Tim Laios, MBA, MPH, Executive Director - HSAG
Ryan Fair, BS, Director - HSAG
Amber Saldivar, MHSM, Lead Analyst - HSAG
Brigit Kelly, BS, Analyst – HSAG
Kari Pikus, BS, Project Coordinator – HSAG
Sari Lomeli, BA, Project Support Specialist – HSAG
Kristy Swanson, BIS, Administrative Assistant – HSAG
Marielle Weindorf, BA, Health Care Research Director – DATASTAT
Kathleen Burkhardt, BS, Project Manager - DATASTAT



1.040 Project Plan

1.041 Project Plan Management

- A. Within five working days of the award of the Contract, the Contractor must submit a work plan to the MDCH Project Manager for final approval. The implementation plan must include the following:
1. The Contractor's project organizational structure.
 2. The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of the accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
 3. The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.
 4. The time-phased plan in the form of a graphic display, showing each event, task, and decision point in the work plan.
- B. Although there will be continuous liaison with the Contractor team, the Department's Project Manager will meet (via phone conference) bi-weekly at a minimum, with the Contractor's Project Manager for the purpose of reviewing progress, revising the project plan as necessary, and providing necessary guidance to the contractor in solving problems which may arise. These weekly meetings will also be used for review and feedback by MDCH during the survey report process. Bi-weekly contacts may occur less frequently subject to the consent of both parties.

1.042 Reports

- A. The Contractor must submit written bi-weekly summaries of progress which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated, which should be brought to the attention of the Department's Project Manager; and notification of any significant deviation from previously agreed-upon work plans. MDCH and the Contractor will mutually agree to the timing of the delivery of these reports. These reports must be submitted in either an electronic and/or hard copy format as mutually agreed upon by MDCH and the Contractor, to the attention of the Department Project Manager.
- B. In addition, during the survey implementation phase of the Contract, the Contractor will submit a weekly survey production status report for the MHP (child), FFS (adult and child), and CSHCS samples, as applicable. All weekly status reports shall contain total survey and individual plan and/or program results by population (adult and child), as applicable. The reports shall include the following information at a minimum:
1. number of surveys mailed
 2. number of mail returns
 3. number of completed surveys received
 4. number of ineligibles
 5. telephone follow-up status (numbers loaded and call outcomes), as applicable
 6. number and status of non-respondents
 7. up-to-date response rate.

These reports may be submitted in either an electronic or hard copy format as mutually agreed upon by MDCH and the Contractor, to the attention of the Department's Project Manager.

C. MHP (Child Version) and FFS (Adult and Child Versions)

1. The Contractor must submit a copy of the finalized adult and child survey materials (e.g., survey tools, letters and reminder mailings) as approved by NCQA, if applicable, for each health plan or program, along with a copy of the NCQA approval, if applicable, to MDCH. Each of the participating MHPs will receive a copy of the materials being sent to their members along with a copy of the NCQA approval. All of these materials will be provided to MDCH and MHPs in hard copy at least 10 business days prior to the start of the data collection phase of the



project. The survey tools, letters, and reminder mailings must also be provided in electronic format to the MDCH Project Manager.

2. The Contractor must produce and share data tables, files and reports with various audiences, e.g. program, health plans, Department:
 - a. Tables: One electronic copy of the crosstable reports for each plan and program including all questionnaire items and the CAHPS® composite variables (indexes/scales) displayed by respondent demographic results (e.g., age, sex, time in plan, overall satisfaction, health status) for all choices for all questions, shown in their final distribution. Summary statistics such as means, standard deviations, and standard errors must also be included for many items and constructed variables.
 - b. The Contractor must produce a report documenting final disposition of each plan and program adult and/or child survey's. The report items must be presented as program totals and by individual MHPs and must include the following information:
 1. sample size(s)
 2. number of surveys mailed
 3. number of surveys completed
 4. number of mail returns
 5. number of ineligibles
 6. telephone follow-up status
 7. number and status of non-respondents
 8. response rate
 - c. The Contractor must provide a complete set of member and summary level data files each participating MHP and to MDCH after validation by NCQA, if applicable.
3. The Contractor must produce full analysis reports of the MHP child, and FFS adult and child survey findings. The Contractor must submit a copy of their analytical methodology to MDCH with their proposal. The Contractor must follow HEDIS/CAHPS® methodology as described in the most current HEDIS® Specifications for Survey Measures, Volume 3, and subsequent versions, utilizing statistical analysis to detect differences at a 95% confidence level. At a minimum, the full analysis report should include the following:
 - a. An executive summary outlining the history/background of the CAHPS® survey, as applicable, and a detailed description of the key findings on a Statewide and plan-to-plan basis, e.g. demographic and survey responses.
 - b. Plan-to-plan and FFS comparisons for each of the composite scores and ratings questions to include the Statewide overall average score for each composite and rating. A comparison to current Medicaid Child CAHPS® benchmarks will be requested for the Child MHP survey.
 - c. Trending analyses of the composites and ratings using CAHPS® data collected from the previous years by MDCH.
 - d. A report of MHP plan-to-plan and FFS comparisons for selected survey questions, to be determined jointly by the Contractor and MDCH, illustrated in color graphs/tables/charts.

D. MHP (Adult Version)

The Contractor must produce a full analysis report of the adult MHP survey findings using the NCQA generated member and summary level data obtained from MDCH, the individual MHPs, or their vendors. From which entity the data will be obtained will be finalized in the work plan. The Contractor must submit a copy of their analytical methodology to MDCH with their proposal. The Contractor must follow HEDIS/CAHPS® methodology as described in current HEDIS® Specifications for Survey Measures, Volume 3, and subsequent versions, utilizing statistical analysis to detect differences at a 95% confidence level. At a minimum, the full analysis report for CAHPS® must include the following:

1. An executive summary outlining the history/background of the CAHPS® and describing the key findings on a Statewide basis.
2. A report of plan-to-plan comparisons for each of the composite scores and ratings questions to include the overall mean and weighted and non-weighted average score for each composite and rating with comparisons to current



Medicaid Adult CAHPS® benchmarks. The Contractor must have access to the benchmarks as published in the NCQA Quality Compass.

3. Key drivers as well as trending analyses of the Statewide composites and ratings may be requested by MDCH as part of the analytic report. The trending analyses would use data collected from the previous one to two years by MDCH and/or the MHPs.
4. A report of plan-to-plan comparisons for the demographic and access questions, the Advising Smokers to Quit Rate, as well as other selected survey questions, to be determined jointly by the Contractor and MDCH and illustrated in color graphs/tables/charts.

E. CSHCS

1. The Contractor must obtain MDCH approval prior to mailing a copy of the finalized survey materials (e.g., survey tool, letters, and reminder mailings). The materials must be provided to MDCH at least 10 business days prior to the start of the data collection phase of the project. The survey tools, letters, and reminder mailings must also be provided in electronic format to the MDCH Project Manager.
2. The Contractor must produce and share data tables, files and reports with various audiences, e.g. program, health plans, Department:
Tables:
 - a. An electronic copy of the crosstable reports must include all questionnaire items and the CAHPS® composite variables (indexes/scales). A full frequency distribution of weighted responses for each item is also expected with percentages for valid responses only. Recoded variables must be shown in their final distribution. Summary statistics such as means, standard deviations, and standard errors must also be included for many items and constructed variables.
 - b. The Contractor must produce a documenting final disposition of the program's survey. Report items must be presented as program totals and must include the following information:
 1. sample size
 2. number of surveys mailed
 3. number of surveys completed
 4. number of mail returns
 5. number of ineligible
 6. telephone follow-up status
 7. number and status of non-respondents, and
 8. response rate
 - c. A complete set of member level data files must be provided to MDCH.
 - d. The Contractor must provide a full analysis report of the survey findings in the format as defined by MDCH. The narrative must report the applicable composite measures and global ratings reported as Statewide and regional averages. Regions will be defined by MDCH. Color tables/graphs/charts shall be utilized to report the data.

1.050 Acceptance

1.051 Criteria

A. Project Manager Responsibilities Related to Acceptance of Work and Deliverables

1. The Department's Project Manager will be responsible for verifying that the work:
 - a. Was performed in the time period referenced
 - b. Met the work or deliverable criteria
 - c. Was performed according to Contract specifications



2. Upon work and deliverable approval, the Department's Project Manager will forward the approved invoice for additional review and payment according to the Department approval path.

1.052 Final Acceptance—Deleted/Not Applicable

1.060 Proposal Pricing

1.061 Proposal Pricing

For the majority of services covered by this Contract, payment is based on **unit price bid for each year**. The Contractor shall invoice MDCH based on the number of surveys mailed for each program surveyed. The exception will be the MHP report, which will be priced as one unit for each year of the Contract.

At this time, MDCH anticipates the following payment schedule for each Contract year as follows:

MHP (Child)

Payment 1: 40 percent payable upon completion of successful identification of all samples and the initial mailing of surveys to the identified sample enrollees.

Payment 2: 40 percent payable upon submission of Medicaid survey data from the contracted health plans to NCQA.

Payment 3 (final): 20 percent payable upon delivery of all final, MDCH approved, MHP reports to include one copy to each MHP, and up to seventy-five 75 print copies and one electronic copy to MDCH.

FFS (Adult and Child) and CSHCS

Payment 1: 40 percent payable upon completion of successful identification of all samples and the initial mailing of surveys to the identified sample enrollees.

Payment 2: 40 percent payable upon delivery of draft analysis report to MDCH.

Payment 3 (final): 20 percent payable upon delivery of the final, MDCH approved report to include up to fifty 50 print copies and one electronic copy for each program surveyed.

MHP (Adult)

Payment 1: 50 percent payable upon delivery of draft analysis report to MDCH.

Payment 2 (final): 50 percent payable upon delivery of the final, MDCH approved report to include one copy to each MHP, and up to 75 print copies and one electronic copy and web-based version to MDCH.

For authorized Services and Price List, see Attachment A.

Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for the expense at the State's current travel reimbursement rates. See www.michigan.gov/DTMB for current rates.

1.062 Price Term

Prices quoted are firm for the entire length of the Contract.



1.063 Tax Excluded from Price

(a) Sales Tax: For purchases made directly by the State, the State is exempt from State and Local Sales Tax. Prices must not include the taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

(b) Federal Excise Tax: The State may be exempt from Federal Excise Tax, or the taxes may be reimbursable, if articles purchased under any resulting Contract are used for the State's exclusive use. Certificates showing exclusive use for the purposes of substantiating a tax-free or tax-reimbursable sale will be sent upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices must not include the Federal Excise Tax.

1.064 Holdback—Deleted/Not Applicable

1.070 Additional Requirements

1.071 Additional Terms and Conditions specific to this RFP—Deleted/Not Applicable



Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

The Contract is for a period of three years beginning 10/1/2010 through 9/30/2013. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

2.002 Options to Renew

The Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to two additional one year periods.

2.003 Legal Effect

Contractor must show acceptance of the Contract by signing two copies of the Contract and returning them to the Contract Administrator. The Contractor must not proceed with the performance of the work to be done under the Contract, including the purchase of necessary materials, until both parties have signed the Contract to show acceptance of its terms, and the Contractor receives a Contract release/purchase order that authorizes and defines specific performance requirements.

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under the Contract, until Contractor is notified in writing that the Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

2.004 Attachments & Exhibits

All Attachments and Exhibits affixed to any and all Statement(s) of Work, or appended to or referencing the Contract, are incorporated in their entirety and form part of the Contract.

2.005 Ordering

The State will issue a written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order, which must be approved by the Contract Administrator or the Contract Administrator's designee, to order any Services/Deliverables under the Contract. All orders are subject to the terms and conditions of the Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are also specifically contained in that Purchase Order's or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown, however, the Contractor must furnish all such materials and services as may be ordered during the CONTRACT period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.

2.006 Order of Precedence

(a) The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to the subject matter and as additional terms and conditions on the purchase order must apply as limited by **Section 2.005**.

(b) In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of the Contract, which may be modified or amended only by a formal Contract amendment.

2.007 Headings

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of the Contract.



2.008 Form, Function & Utility

If the Contract is for use of more than one State agency and if the Deliverable/Service does not meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

2.009 Reformation and Severability

Each provision of the Contract is severable from all other provisions of the Contract and, if one or more of the provisions of the Contract is declared invalid, the remaining provisions of the Contract remain in full force and effect.

2.010 Consents and Approvals

Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, the consent or approval must be in writing and must not be unreasonably withheld or delayed.

2.011 No Waiver of Default

If a party fails to insist upon strict adherence to any term of the Contract then the party has not waived the right to later insist upon strict adherence to that term, or any other term, of the Contract.

2.012 Survival

Any provisions of the Contract that impose continuing obligations on the parties, including without limitation the parties' respective warranty, indemnity and confidentiality obligations, survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

2.020 Contract Administration

2.021 Issuing Office

The Contract is issued by DTMB, Purchasing Operations and MDCH, Medical Services Administration (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. Purchasing Operations **is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of the Contract.** The Contractor Administrator within Purchasing Operations for the Contract is:

Brandon Samuel, Buyer Specialist
 Purchasing Operations
 Department of Technology, Management and Budget
 Mason Bldg, 2nd Floor
 PO Box 30026
 Lansing, MI 48909
 samuelb@michigan.gov
 517-241-1218

2.022 Contract Compliance Inspector

After DTMB-Purchasing Operations receives the properly executed Contract, it is anticipated that the Director of Purchasing Operations, in consultation with Michigan Department of Community Health, will direct the person named below, or any other person so designated, to monitor and coordinate the activities for the Contract during its term. However, monitoring of the Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of the Contract as that authority is retained by DTMB Purchasing Operations.** The CCI for the Contract is:

Penny Saites
 Michigan Department of Community Health
 320 South Walnut
 Lansing, MI 48933
 E-mail: saitesp@michigan.gov
 Phone: 517-335-5096
 Fax: 517-241-4845



2.023 Project Manager

The following individual will be responsible for monitoring and managing the daily operations under the Contract:

Nneka LaBon-Holloway, Senior Analyst
Michigan Department of Community Health
400 S. Pine/P.O. Box 30479
labonhollowayn@michigan.gov
(517) 373-6831
(517) 241-5713

The Project Manager will maintain a continuous liaison with the Contractor as necessary to oversee the various stages of the project. All work products and deliverables are approved by the Project Manager before being sent to MDCH management for final approval. The Project Manager meets with the Contractor at least weekly for the purpose of reviewing progress and providing necessary guidance to the contractor in solving problems which may arise.

The CSHCS survey project shall be assisted by a designated staff person from each area whose expertise will be necessary to provide for the optimum outcome of each project. The Project Manager will maintain oversight of the CSHCS project with each staff directly involved in their respective projects for the duration of each, providing guidance with the sampling processes, survey tools, mailings, and analytic reports.

2.024 Change Requests

The State reserves the right to request, from time to time, any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the Contractor does not so notify the State, the Contractor has no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable.

Change Requests:

- (a) By giving Contractor written notice within a reasonable time, the State must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under the Contract, describing the Change and its effects on the Services and any affected components of the Contract (a "Contract Change Notice").
- (b) No proposed Change may be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Technology, Management and Budget, Purchasing Operations.
- (c) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of the Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.



2.025 Notices

Any notice given to a party under the Contract must be deemed effective, if addressed to the State contact as noted in Section 2.021 and the Contractor's contact as noted on the cover page of the contract, upon: (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this Section; (iii) the third Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

Brandon Samuel
State of Michigan
Purchasing Operations
Attention:
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

Contractor: HSAG
Mary Ellen Dalton
3133 East Camelback Road, Suite 300
Phoenix, Arizona 85016-4501

Either party may change its address where notices are to be sent by giving notice according to this Section.

2.026 Binding Commitments

Representatives of Contractor must have the authority to make binding commitments on Contractor's behalf within the bounds set forth in the Contract. Contractor may change the representatives from time to time upon written notice.

2.027 Relationship of the Parties

The relationship between the State and Contractor is that of client and independent contractor. No agent, employee, or servant of Contractor or any of its Subcontractors must be deemed to be an employee, agent or servant of the State for any reason. Contractor is solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

2.028 Covenant of Good Faith

Each party must act reasonably and in good faith. Unless stated otherwise in the Contract, the parties must not unreasonably delay, condition, or withhold the giving of any consent, decision, or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the Contract.

2.029 Assignments

(a) Neither party may assign the Contract, or assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform the requirements of the Contract. The State may withhold consent from proposed assignments, subcontracts, or novations when the transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

(b) Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. If the State permits an assignment, the Contractor is not relieved of its responsibility to perform any of its contractual duties, and the requirement under the Contract that all payments must be made to one entity continues.

(c) If the Contractor intends to assign the Contract or any of the Contractor's rights or duties under the Contract, the Contractor must notify the State in writing at least 90 days before the assignment. The Contractor also must provide the State with adequate information about the assignee within a reasonable amount of time before the assignment for the State to determine whether to approve the assignment.



2.030 General Provisions

2.031 Media Releases

News releases (including promotional literature and commercial advertisements) pertaining to the RFP and Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the activities associated with the RFP and Contract are to be released without prior written approval of the State and then only to persons designated.

2.032 Contract Distribution

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

2.033 Permits

Contractor must obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State must pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

2.034 Website Incorporation

The State is not bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of the content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representative of the State.

2.035 Future Bidding Preclusion

Contractor acknowledges that, to the extent the Contract involves the creation, research, investigation or generation of a future RFP, it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a competitive advantage on the RFP.

2.036 Freedom of Information

All information in any proposal submitted to the State by Contractor and the Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 PA 442, MCL 15.231, et seq (the "FOIA").

2.037 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under the Contract must provide the State with priority service for repair and work around in the event of a natural or man-made disaster.

2.040 Financial Provisions

2.041 Fixed Prices for Services/Deliverables

Each Statement of Work or Purchase Order issued under the Contract must specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.042 Adjustments for Reductions in Scope of Services/Deliverables

If the scope of the Services/Deliverables under any Statement of Work issued under the Contract is subsequently reduced by the State, the parties must negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope.



2.043 Services/Deliverables Covered

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

2.044 Invoicing and Payment – In General

(a) Each Statement of Work issued under the Contract must list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.

(b) Each Contractor invoice must show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State’s accounting and charge-back requirements. Invoices for Services performed on a time and materials basis must show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor’s invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.064**.

(c) Correct invoices will be due and payable by the State, in accordance with the State’s standard payment procedure as specified in 1984 PA 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.

(d) All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the CCI and the Contractor **after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing Operations, Department of Management & Budget. This activity will occur only upon the specific written direction from Purchasing Operations.**

The specific payment schedule for any Contract(s) entered into, as the State and the Contractor(s) must mutually agree upon. The schedule must show payment amount and must reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy, statements must be forwarded to the designated representative by the 15th day of the following month.

The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the CCI, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.045 Pro-ration

To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services must be pro-rated for any partial month.

2.046 Antitrust Assignment

The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of the Contract.

2.047 Final Payment

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party’s continuing obligations under the Contract, nor will it constitute a waiver of any claims by one party against the other arising from unsettled claims or failure by a party to comply with the Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor’s acceptance of final payment by the State under the Contract must constitute a waiver of all claims by Contractor against the State for payment under the Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

2.048 Electronic Payment Requirement

Electronic transfer of funds is required for payments on State contracts. The Contractor must register with the State electronically at <http://www.cpexpress.state.mi.us>. As stated in 1984 PA 431, all contracts that the State enters into for the purchase of goods and services must provide that payment will be made by Electronic Fund Transfer (EFT).



2.050 Taxes

2.051 Employment Taxes

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

2.052 Sales and Use Taxes

Contractors are required to be registered and to remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. Contractors that lack sufficient presence in Michigan to be required to register and pay tax must do so as a volunteer. This requirement extends to: (1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining “two or more trades or businesses under common control” the term “organization” means sole proprietorship, a partnership (as defined in § 701(a)(2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.

2.060 Contract Management

2.061 Contractor Personnel Qualifications

All persons assigned by Contractor to the performance of Services under the Contract must be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and must be fully qualified to perform the work assigned to them. Contractor must include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of the Contract, independent contractors engaged by Contractor solely in a staff augmentation role must be treated by the State as if they were employees of Contractor for the Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

2.062 Contractor Key Personnel

(a) The Contractor must provide the CCI with the names of the Key Personnel.

(b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.

(c) The State reserves the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor must notify the State of the proposed assignment, must introduce the individual to the appropriate State representatives, and must provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State must provide a written explanation including reasonable detail outlining the reasons for the rejection.

(d) Contractor must not remove any Key Personnel from their assigned roles on the Contract without the prior written consent of the State. The Contractor’s removal of Key Personnel without the prior written consent of the State is an unauthorized removal (“Unauthorized Removal”). Unauthorized Removals does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel’s employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements and appropriate transition planning must be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.



(e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

2.063 Re-assignment of Personnel at the State's Request

The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good-faith reasons. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted for a time as agreed to by the parties.

2.064 Contractor Personnel Location – Deleted/Not Applicable

2.065 Contractor Identification

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

2.066 Cooperation with Third Parties

Contractor must cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel. As reasonably requested by the State in writing, the Contractor must provide to the State's agents and other contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with the Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for the Contract is very specific and must not unnecessarily or unreasonably interfere with, delay, or otherwise impede Contractor's performance under the Contract with the requests for access.

2.067 Contractor Return of State Equipment/Resources

The Contractor must return to the State any State-furnished equipment, facilities, and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

2.068 Contract Management Responsibilities

The Contractor must assume responsibility for all contractual activities, whether or not that Contractor performs them. Further, the State considers the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Contract. If any part of the work is to be subcontracted, the Contract must include a list of Subcontractors, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve Subcontractors and to require the Contractor to replace Subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the Subcontractor to all provisions of the Contract. Any change in Subcontractors must be approved by the State, in writing, prior to such change.

2.070 Subcontracting by Contractor

2.071 Contractor Full Responsibility

Contractor has full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under the Contract, including payment of any and all charges for Services and Deliverables.

2.072 State Consent to Delegation

Contractor must not delegate any duties under the Contract to a Subcontractor unless the Department of Technology, Management and Budget, Purchasing Operations has given written consent to such



delegation. The State reserves the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good-faith reasons. Replacement Subcontractor(s) for the removed Subcontractor must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work will not be counted for a time agreed upon by the parties.

2.073 Subcontractor Bound to Contract

In any subcontracts entered into by Contractor for the performance of the Services, Contractor must require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of the Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by the Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor is the responsibility of Contractor, and Contractor must remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor must make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under the Contract will not relieve Contractor of any obligations or performance required under the Contract.

2.074 Flow Down

Except where specifically approved in writing by the State on a case-by-case basis, Contractor must flow down the obligations in **Sections 2.031, 2.060, 2.100, 2.110, 2.120, 2.130, 2.200** in all of its agreements with any Subcontractors.

2.075 Competitive Selection

The Contractor must select Subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract.

2.080 State Responsibilities

2.081 Equipment

The State must provide only the equipment and resources identified in the Statements of Work and other Contract Exhibits.

2.082 Facilities – Deleted/Not Applicable

2.090 Security

2.091 Background Checks

On a case-by-case basis, the State may investigate the Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel must comply with the State's security and acceptable use policies for State IT equipment and resources. See <http://www.michigan.gov/dit>. Furthermore, Contractor personnel must agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. The Contractor must present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource.



Contractor staff must comply with all Physical Security procedures in place within the facilities where they are working.

2.092 Security Breach Notification

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State, in writing, any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

2.093 PCI Data Security Requirements – Deleted/Not Applicable

2.100 Confidentiality

2.101 Confidentiality

Contractor and the State each acknowledge that the other possesses, and will continue to possess, confidential information that has been developed or received by it. As used in this Section, “Confidential Information” of Contractor must mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below) which is marked confidential, restricted, proprietary, or with a similar designation. “Confidential Information” of the State must mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State under applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State under its performance under the Contract, is marked as confidential, proprietary, or with a similar designation by the State. “Confidential Information” excludes any information (including the Contract) that is publicly available under the Michigan FOIA.

2.102 Protection and Destruction of Confidential Information

The State and Contractor must each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication, or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by the Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party must limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access to fulfill the purposes of the Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under the Contract, (B) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.

Promptly upon termination or cancellation of the Contract for any reason, Contractor must certify to the State that Contractor has destroyed all State Confidential Information.

2.103 Exclusions

Notwithstanding the foregoing, the provisions of **Section 2.100** will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose the information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of **Section 2.100** will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the Confidential Information,



provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

2.104 No Implied Rights

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

2.105 Respective Obligations

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

2.110 Records and Inspections

2.111 Inspection of Work Performed

The State's authorized representatives must at all reasonable times and with 10 days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and must have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon 10 Days prior written notice and at all reasonable times, the State's representatives must be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that the access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives.

2.112 Examination of Records

For seven years after the Contractor provides any work under the Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules. The State must notify the Contractor 20 days before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

2.113 Retention of Records

Contractor must maintain at least until the end of the Audit Period, all pertinent financial and accounting records (including time sheets and payroll records, information pertaining to the Contract, and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records must be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

2.114 Audit Resolution

If necessary, the Contractor and the State will meet to review each audit report promptly after issuance. The Contractor must respond to each audit report in writing within 30 days from receipt of the report, unless a shorter response time is specified in the report. The Contractor and the State must develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in the audit report.

2.115 Errors

(a) If the audit demonstrates any errors in the documents provided to the State, then the amount in error must be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four invoices. If a balance remains after four invoices, then the remaining amount will be due as a payment or refund within 45 days of the last quarterly invoice that the balance appeared on or termination of the Contract, whichever is earlier.



(b) In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than 10%, then the Contractor must pay all of the reasonable costs of the audit.

2.120 Warranties

2.121 Warranties and Representations

The Contractor represents and warrants:

(a) It is capable in all respects of fulfilling and must fulfill all of its obligations under the Contract. The performance of all obligations under the Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under the Contract.

(b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.

(c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under the Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under the Contract, nor their use by the State, will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.

(d) If, under the Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in the Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.

(e) The Contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into the Contract, on behalf of Contractor.

(f) It is qualified and registered to transact business in all locations where required.

(g) Neither the Contractor nor any affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under the Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two days of learning about it.

(h) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after the Contract start date, the Contractor must report those changes immediately to the Department of Technology, Management and Budget, Purchasing Operations.

2.122 Warranty of Merchantability – Deleted/Not Applicable

2.123 Warranty of Fitness for a Particular Purpose – Deleted/Not Applicable

2.124 Warranty of Title – Deleted/Not Applicable

2.125 Equipment Warranty – Deleted/Not Applicable

2.126 Equipment to be New – Deleted/Not Applicable

2.127 Prohibited Products – Deleted/Not Applicable



2.128 Consequences for Breach

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section, the breach may be considered as a default in the performance of a material obligation of the Contract.

2.130 Insurance

2.131 Liability Insurance

The Contractor must provide proof of the minimum levels of insurance coverage as indicated below. The insurance must protect the State from claims which may arise out of or result from the Contractor's performance of Services under the terms of the Contract, whether the Services are performed by the Contractor, or by any Subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain under the Contract.

All insurance coverage's provided relative to the Contract/Purchase Order are PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance must be written for not less than any minimum coverage specified in the Contract or required by law, whichever is greater.

The insurers selected by Contractor must have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if the ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in the Contract must be issued by companies that have been approved to do business in the State. See www.michigan.gov/deleg.

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State must be entitled to coverage to the extent of the higher limits.

The Contractor is required to pay for and provide the type and amount of insurance checked below:

- 1. Commercial General Liability with the following minimum coverage:
 - \$2,000,000 General Aggregate Limit other than Products/Completed Operations
 - \$2,000,000 Products/Completed Operations Aggregate Limit
 - \$1,000,000 Personal & Advertising Injury Limit
 - \$1,000,000 Each Occurrence Limit

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- 2. If a motor vehicle is used to provide services or products under the Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- 3. Workers' compensation coverage must be provided according to applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification,



Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision must not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

4. Employers liability insurance with the following minimum limits:

- \$100,000 each accident
- \$100,000 each employee by disease
- \$500,000 aggregate disease

5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of \$1,000,000.00 with a maximum deductible of \$50,000.00.

6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$10,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: \$3,000,000.00 each occurrence and \$3,000,000.00 annual aggregate.

8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under the Contract, and the equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State must be endorsed on the policy as a loss payee as its interests appear.

2.132 Subcontractor Insurance Coverage

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor must require all of its Subcontractors under the Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor must fully comply with the insurance coverage required in this Section. Failure of Subcontractor to comply with insurance requirements does not limit Contractor's liability or responsibility.

2.133 Certificates of Insurance and Other Requirements

Contractor must furnish to DTMB-Purchasing Operations, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverages afforded under the policies **MUST NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED** without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Technology, Management and Budget. The notice must include the Contract or Purchase Order number affected. Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.



The Contractor must maintain all required insurance coverage throughout the term of the Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure tail coverage for at least three years following the expiration or termination for any reason of the Contract. The minimum limits of coverage specified above are not intended, and must not be construed, to limit any liability or indemnity of Contractor under the Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance. If the Contractor fails to pay any premium for required insurance as specified in the Contract, or if any insurer cancels or significantly reduces any required insurance as specified in the Contract without the State's written consent, then the State may, after the State has given the Contractor at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or the Contractor must pay that cost upon demand by the State.

2.140 Indemnification

2.141 General Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of the Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its Subcontractors, or by anyone else for whose acts any of them may be liable.

2.142 Code Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

2.143 Employee Indemnification

In any claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its Subcontractors, the indemnification obligation under the Contract must not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its Subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

2.144 Patent/Copyright Infringement Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that the action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its Subcontractors, or the operation of the equipment, software, commodity or service, or the use or reproduction of any documentation provided with the equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor must at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if the option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if the option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.



Notwithstanding the foregoing, the Contractor has no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under the Contract.

2.145 Continuation of Indemnification Obligations

The Contractor's duty to indemnify under this Section continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred before expiration or cancellation.

2.146 Indemnification Procedures

The procedures set forth below must apply to all indemnity obligations under the Contract.

(a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.

(b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under the Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

(c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State may defend the claim in the manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor must promptly reimburse the State for all the reasonable costs and expenses.

2.150 Termination/Cancellation

2.151 Notice and Right to Cure

If the Contractor breaches the Contract, and the State, in its sole discretion, determines that the breach is curable, then the State must provide the Contractor with written notice of the breach and a time period (not less than 30 days) to cure the Breach. The notice of breach and opportunity to cure is inapplicable for successive or repeated breaches or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

**2.152 Termination for Cause**

(a) The State may terminate the Contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under the Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State

(b) If the Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating the Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by the Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in the Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under the Contract.

(c) If the State chooses to partially terminate the Contract for cause, charges payable under the Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of the Contract that are terminated for cause must cease on the effective date of the termination.

(d) If the State terminates the Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in the Contract for a termination for convenience.

2.153 Termination for Convenience

The State may terminate the Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate the Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate the Contract in part, the charges payable under the Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of the Contract that are terminated for cause must cease on the effective date of the termination.

2.154 Termination for Non-Appropriation

(a) Contractor acknowledges that, if the Contract extends for several fiscal years, continuation of the Contract is subject to appropriation or availability of funds for the Contract. If funds to enable the State to effect continued payment under the Contract are not appropriated or otherwise made available, the State must terminate the Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).

(b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under the Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.

(c) If the State terminates the Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be



and as determined by the State, to the extent funds are available. This Section will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.155 Termination for Criminal Conviction

The State may terminate the Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense related to a State, public or private Contract or subcontract.

2.156 Termination for Approvals Rescinded

The State may terminate the Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State must pay the Contractor for only the work completed to that point under the Contract. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in the written notice.

2.157 Rights and Obligations upon Termination

(a) If the State terminates the Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from the Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

(b) If the State terminates the Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under the Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under the Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

(c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for Services and Deliverables provided under the Contract, and may further pursue completion of the Services/Deliverables under the Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.158 Reservation of Rights

Any termination of the Contract or any Statement of Work issued under it by a party must be with full reservation of, and without prejudice to, any rights or remedies otherwise available to the party with respect to any claims arising before or as a result of the termination.

2.160 Termination by Contractor – Deleted/Not Applicable

2.170 Transition Responsibilities

2.171 Contractor Transition Responsibilities

If the State terminates the Contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases,



etc. to the State or a third party designated by the State. If the Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 270 calendar days. These efforts must include, but are not limited to, those listed in **Sections 2.171, 2.172, 2.173, 2.174, and 2.175.**

2.172 Contractor Personnel Transition

The Contractor must work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties to effect an orderly transition. The Contractor must allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by the Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's Subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's Subcontractors or vendors. Contractor must notify all of Contractor's subcontractors of procedures to be followed during transition.

2.173 Contractor Information Transition

The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under the Contract. The Contractor must provide the State with asset management data generated from the inception of the Contract through the date on which the Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor must deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

2.174 Contractor Software Transition

The Contractor must reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under the Contract. This must include any documentation being used by the Contractor to perform the Services under the Contract. If the State transfers any software licenses to the Contractor, those licenses must, upon expiration of the Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

2.175 Transition Payments

If the transition results from a termination for any reason, reimbursement must be governed by the termination provisions of the Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates agreed upon by the State. The Contractor must prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

2.176 State Transition Responsibilities

In the event that the Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:

- (a) Reconciling all accounts between the State and the Contractor;
- (b) Completing any pending post-project reviews.

2.180 Stop Work

2.181 Stop Work Orders

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order must be identified as a stop work order and must indicate that it is issued under this **Section 2.180.** Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.150.**



2.182 Cancellation or Expiration of Stop Work Order

The Contractor must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment must conform to the requirements of **Section 2.024**.

2.183 Allowance of Contractor Costs

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, the termination must be deemed to be a termination for convenience under **Section 2.150**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.180**.

2.190 Dispute Resolution

2.191 In General

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work must be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor must submit a letter, together with all data supporting the claims, executed by Contractor's Contract Administrator or the Contract Administrator's designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the claim and the supporting data are current and complete to Contractor's best knowledge and belief.

2.192 Informal Dispute Resolution

(a) All disputes between the parties must be resolved under the Contract Management procedures in the Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties must meet with the Director of Purchasing Operations, DTMB, or designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings, as follows:

- (i) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
- (ii) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract must be honored in order that each of the parties may be fully advised of the other's position.
- (iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
- (iv) Following the completion of this process within 60 calendar days, the Director of Purchasing Operations, DTMB, or designee, must issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.

(b) This Section must not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under **Section 2.193**.

(c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.



2.193 Injunctive Relief

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.192** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is the that the damages to the party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

2.194 Continued Performance

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.150**, as the case may be.

2.200 Federal and State Contract Requirements

2.201 Nondiscrimination

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, or physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of the Contract or any purchase order resulting from the Contract must contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Contract.

2.202 Unfair Labor Practices

Under 1980 PA 278, MCL 423.321, et seq., the State must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under Section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, must not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under Section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.203 Workplace Safety and Discriminatory Harassment

In performing Services for the State, the Contractor must comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor must comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.

2.204 Prevailing Wage – Deleted/Not Applicable

2.210 Governing Law

2.211 Governing Law

The Contract must in all respects be governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

2.212 Compliance with Laws

Contractor must comply with all applicable state, federal and local laws and ordinances in providing the Services/Deliverables.

2.213 Jurisdiction

Any dispute arising from the Contract must be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to the jurisdiction on the grounds of lack of personal jurisdiction of the



court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.220 Limitation of Liability

2.221 Limitation of Liability

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of the Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the Contract.

2.230 Disclosure Responsibilities

2.231 Disclosure of Litigation

(a) Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities. The Contractor must disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

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

- (i) the ability of Contractor (or a Subcontractor) to continue to perform the Contract according to its terms and conditions, or
- (ii) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of the Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
 - (a) Contractor and its Subcontractors must be able to continue to perform the Contract and any Statements of Work according to its terms and conditions, and
 - (b) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.

(c) Contractor must make the following notifications in writing:

- (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DTMB Purchasing Operations.
- (2) Contractor must also notify DTMB Purchasing Operations within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.



(3) Contractor must also notify DTMB Purchasing Operations within 30 days whenever changes to company affiliations occur.

2.232 Call Center Disclosure – Deleted/Not Applicable

2.233 Bankruptcy

The State may, without prejudice to any other right or remedy, terminate the Contract, in whole or in part, and, at its option, may take possession of the “Work in Process” and finish the Works in Process by whatever appropriate method the State may deem expedient if:

- (a) the Contractor files for protection under the bankruptcy laws;
- (b) an involuntary petition is filed against the Contractor and not removed within 30 days;
- (c) the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;
- (d) the Contractor makes a general assignment for the benefit of creditors; or
- (e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under the Contract.

Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process must be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

2.240 Performance

2.241 Time of Performance

(a) Contractor must use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.

(b) Without limiting the generality of **Section 2.241(a)**, Contractor must notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.

(c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.242 Service Level Agreements (SLAs) – Deleted/Not Applicable

2.243 Liquidated Damages – Deleted/Not Applicable

2.244 Excusable Failure

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

If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. but the party must use commercially reasonable efforts to recommence



performance whenever and to whatever extent possible without delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.

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

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

2.250 Approval of Deliverables

2.251 Delivery Responsibilities – Deleted/Not Applicable

2.252 Delivery of Deliverables

Where applicable, the Statements of Work/POs contain lists of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document ("Written Deliverable"), a good ("Physical Deliverable") or a Service. All Deliverables must be completed and delivered for State review and written approval and, where applicable, installed according to the State-approved delivery schedule and any other applicable terms and conditions of the Contract.

2.253 Testing – Deleted/Not Applicable

2.254 Approval of Deliverables, In General

(a) All Deliverables (Physical Deliverables and Written Deliverables) and Services require formal written approval by the State, according to the following procedures. Formal approval by the State requires the State to confirm in writing that the Deliverable meets its specifications. Formal approval may include the successful completion of Testing as applicable in **Section 2.253**, to be led by the State with the support and assistance of Contractor. The approval process will be facilitated by ongoing consultation between the parties, inspection of interim and intermediate Deliverables and collaboration on key decisions.

(b) The State's obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables/Services being reviewed.

(c) Before commencement of its review or testing of a Deliverable/Service, the State may inspect the Deliverable/Service to confirm that all components of the Deliverable/Service have been delivered without material deficiencies. If the State determines that the Deliverable/Service has material deficiencies, the State may refuse delivery of the Deliverable/Service without performing any further inspection or testing of the Deliverable/Service. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable or the Service begins, and the State and Contractor agree that the Deliverable/Service is ready for use and, where applicable, certification by Contractor according to **Section 2.253**.

(d) The State must approve in writing a Deliverable/Service after confirming that it conforms to and performs according to its specifications without material deficiency. The State may, but is not be required to, conditionally approve in writing a Deliverable/Service that contains material deficiencies if the State



elects to permit Contractor to rectify them post-approval. In any case, Contractor will be responsible for working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable/Service that remain outstanding at the time of State approval.

(e) If, after three opportunities (the original and two repeat efforts), the Contractor is unable to correct all deficiencies preventing Final Acceptance of a Deliverable/Service, the State may: (i) demand that the Contractor cure the failure and give the Contractor additional time to cure the failure at the sole expense of the Contractor; or (ii) keep the Contract in force and do, either itself or through other parties, whatever the Contractor has failed to do, and recover the difference between the cost to cure the deficiency and the contract price plus an additional sum equal to 10% of the cost to cure the deficiency to cover the State's general expenses provided the State can furnish proof of the general expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure the breach. Notwithstanding the foregoing, the State cannot use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

(f) The State, at any time and in its reasonable discretion, may halt the testing or approval process if the process reveals deficiencies in or problems with a Deliverable/Service in a sufficient quantity or of a sufficient severity that renders continuing the process unproductive or unworkable. If that happens, the State may stop using the Service or return the applicable Deliverable to Contractor for correction and re-delivery before resuming the testing or approval process.

2.255 Process for Approval of Written Deliverables

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Deliverable (and if the Statement of Work does not state the State Review Period, it is by default five Business Days for Written Deliverables of 100 pages or less and 10 Business Days for Written Deliverables of more than 100 pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable before its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected before approval of the Deliverable (or at the State's election, after approval of the Deliverable). If the State notifies the Contractor about deficiencies, the Contractor must correct the described deficiencies and within 30 Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts must be made at no additional charge. Upon receipt of a corrected Deliverable from Contractor, the State must have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

2.256 Process for Approval of Services

The State Review Period for approval of Services is governed by the applicable Statement of Work (and if the Statement of Work does not state the State Review Period, it is by default 30 Business Days for Services). The State agrees to notify the Contractor in writing by the end of the State Review Period either stating that the Service is approved in the form delivered by the Contractor or describing any deficiencies that must be corrected before approval of the Services (or at the State's election, after approval of the Service). If the State delivers to the Contractor a notice of deficiencies, the Contractor must correct the described deficiencies and within 30 Business Days resubmit the Service in a form that shows all revisions made to the original version delivered to the State. The Contractor's correction efforts must be made at no additional charge. Upon implementation of a corrected Service from Contractor, the State must have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Service for conformity and that the identified deficiencies have been corrected.

2.257 Process for Approval of Physical Deliverables – Deleted/Not Applicable

2.258 Final Acceptance

Unless otherwise stated in the Article 1, Statement of Work or Purchase Order, "Final Acceptance" of each Deliverable must occur when each Deliverable/Service has been approved by the State following the State Review Periods identified in **Sections 2.251-2.257**. Payment will be made for Deliverables installed and accepted. Upon acceptance of a Service, the State will pay for all Services provided during the State Review Period that conformed to the acceptance criteria.



2.260 Ownership

2.261 Ownership of Work Product by State

The State owns all Deliverables as they are works made for hire by the Contractor for the State. The State owns all United States and international copyrights, trademarks, patents, or other proprietary rights in the Deliverables.

2.262 Vesting of Rights

With the sole exception of any preexisting licensed works identified in the SOW, the Contractor assigns, and upon creation of each Deliverable automatically assigns, to the State, ownership of all United States and international copyrights, trademarks, patents, or other proprietary rights in each and every Deliverable, whether or not registered by the Contractor, insofar as any the Deliverable, by operation of law, may not be considered work made for hire by the Contractor for the State. From time to time upon the State's request, the Contractor must confirm the assignment by execution and delivery of the assignments, confirmations of assignment, or other written instruments as the State may request. The State may obtain and hold in its own name all copyright, trademark, and patent registrations and other evidence of rights that may be available for Deliverables.

2.263 Rights in Data

(a) The State is the owner of all data made available by the State to the Contractor or its agents, Subcontractors or representatives under the Contract. The Contractor must not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of the Contractor. No employees of the Contractor, other than those on a strictly need-to-know basis, have access to the State's data. Contractor must not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, the Contractor must only use personally identifiable information as strictly necessary to provide the Services and must disclose the information only to its employees who have a strict need-to-know the information. The Contractor must comply at all times with all laws and regulations applicable to the personally identifiable information.

(b) The State is the owner of all State-specific data under the Contract. The State may use the data provided by the Contractor for any purpose. The State must not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State may use personally identifiable information only as strictly necessary to utilize the Services and must disclose the information only to its employees who have a strict need to know the information, except as provided by law. The State must comply at all times with all laws and regulations applicable to the personally identifiable information. Other material developed and provided to the State remains the State's sole and exclusive property.

2.264 Ownership of Materials

The State and the Contractor will continue to own their respective proprietary technologies developed before entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State. Any software licensed through the Contractor and sold to the State, will be licensed directly to the State.

2.270 State Standards

2.271 Existing Technology Standards

The Contractor must adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://www.michigan.gov/dit>.

2.272 Acceptable Use Policy

To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see <http://www.michigan.gov/ditservice>. All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.



2.273 Systems Changes

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the Project Manager. Any changes Contractor makes to State systems with the State’s approval must be done according to applicable State procedures, including security, access, and configuration management procedures.

2.280 Extended Purchasing

2.281 MIDEAL

1984 PA 431 permits DTMB to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. A current listing of approved program members is available at: www.michigan.gov/buymichiganfirst. Unless otherwise stated, the Contractor must ensure that the non-state agency is an authorized purchaser before extending the Contract pricing.

The Contractor must supply Contract Services and equipment to these local governmental agencies at the established State of Michigan contract prices and terms to the extent applicable and where available. The Contractor must send its invoices to, and pay the local unit of government, on a direct and individual basis.

To the extent that authorized local units of government purchase quantities of Services and/or equipment under the Contract, the quantities of Services and/or equipment purchased must be included in determining the appropriate rate wherever tiered pricing based on quantity is provided.

Please Visit Mi DEAL at www.michigan.gov/buymichiganfirst under MiDeal.

Estimated requirements for authorized local units of government are not included in the quantities shown in this RFP.

2.282 State Employee Purchases – Deleted/Not Applicable

2.290 Environmental Provision

2.291 Environmental Provision

Hazardous Materials:

For the purposes of this Section, “Hazardous Materials” is a generic term used to describe asbestos, ACBMs, PCBs, petroleum products, construction materials including paint thinners, solvents, gasoline, oil, and any other material the manufacture, use, treatment, storage, transportation, or disposal of which is regulated by the federal, State, or local laws governing the protection of the public health, natural resources, or the environment. This includes, but is not limited to, materials such as batteries and circuit packs, and other materials that are regulated as (1) “Hazardous Materials” under the Hazardous Materials Transportation Act, (2) “chemical hazards” under the Occupational Safety and Health Administration standards, (3) “chemical substances or mixtures” under the Toxic Substances Control Act, (4) “pesticides” under the Federal Insecticide Fungicide and Rodenticide Act, and (5) “hazardous wastes” as defined or listed under the Resource Conservation and Recovery Act.

(a) The Contractor must use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State, and local laws. The State must provide a safe and suitable environment for performance of Contractor’s Work. Before the commencement of Work, the State must advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor must immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.

(b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the



Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State must order a suspension of Work in writing. The State must proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State must terminate the affected Work for the State's convenience.

(c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor must resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in **Section 2.242** for a time as mutually agreed by the parties.

(d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor must bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

Michigan has a Consumer Products Rule pertaining to labeling of certain products containing volatile organic compounds. For specific details visit http://www.michigan.gov/deq/0,1607,7-135-3310_4108-173523--,00.html

Refrigeration and Air Conditioning:

The Contractor must comply with the applicable requirements of Sections 608 and 609 of the Clean Air Act (42 U.S.C. 7671g and 7671h) as each or both apply to the Contract.

Environmental Performance:

Waste Reduction Program: Contractor must establish a program to promote cost-effective waste reduction in all operations and facilities covered by the Contract. The Contractor's programs must comply with applicable Federal, State, and local requirements, specifically including Section 6002 of the Resource Conservation and Recovery Act (42 U.S.C. 6962, et seq.).

2.300 Other Provisions

2.311 Forced Labor, Convict Labor, Forced or Indentured Child Labor, or Indentured Servitude Made Materials

Equipment, materials, or supplies, that will be furnished to the State under the Contract must not be produced in whole or in part by forced labor, convict labor, forced or indentured child labor, or indentured servitude.

"Forced or indentured child labor" means all work or service: exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or performed by any person under the age of 18 under a contract the enforcement of which can be accomplished by process or penalties.



Attachment A, Price Proposal

Statewide Consumer Satisfaction Survey Pricing

Contract Year	Project #	Program	# of Populations	Sample Size	Unit Price Bid	Total Price
1st Contract Year	1-1	MHP – Adult Statewide Report	1	N/A	\$1,283.00	\$1,283
	1-2	MHP – Child	14	1650	\$7.47	\$172,557
	1-3	FFS – Adult	1 – Program Wide	1350	\$10.61	\$14,324
	1-4	FFS – Child	1 – Program Wide	1650	\$9.59	\$15,824
Total						\$203,988
2nd Contract Year	2-1	MHP – Adult Statewide Report	1	N/A	\$1,339.00	\$1,339
	2-2	FFS – Adult	1 – Program Wide	1350	\$10.74	\$14,499
	2-3	CSHCS	1 – Program Wide	1500	\$10.01	\$15,015
Total						\$30,853
3rd Contract Year	3-1	MHP – Adult Statewide Report	1	N/A	\$1,397.00	\$1,397
	3-2	MHP – Child	14	1650	\$7.50	\$173,250
	3-3	FFS- Adult	1 – Program Wide	1350	\$10.89	\$14,702
	3-4	FFS – Child	1 – Program Wide	1650	\$9.95	\$16,418
Total						\$205,767
Grand Total						\$440,608

Cash Discount: 0.5% discount off invoice if paid within 15 days.

Unit Price = price per survey mailed, and must take into account all associated costs for conducting the full survey including sample selection, printing, mailing, telephone and mail follow-up, data entry, production of plan specific and aggregate reports for each program (project), as well as travel and administrative costs, and all other tasks as described in this RFP. All prices include the vendor sample fees charged by NCQA if applicable.

The sample sizes are based on current CAHPS estimates. Final determination of sample sizes will be based on HEDIS/CAHPS protocol for each year.