

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

**July 28, 2005**

**NOTICE  
 TO  
 CONTRACT NO. 071B5200317  
 between  
 THE STATE OF MICHIGAN  
 and**

NAME & ADDRESS OF VENDOR  <b>Tier Technologies          10780 Parkridge Blvd., Suite 400          Reston, VA 20191</b>		TELEPHONE (571) 382-1002 <b>Stephen Wade</b>
		VENDOR NUMBER/MAIL CODE <b>(009)</b>
		BUYER/CA (517) 373-1080 <b>Melissa Castro</b>
Contract Compliance Inspector: Patty Bogard <b>FIDM Services – DIT/DHS</b>		
CONTRACT PERIOD: From: <b>July 1, 2005</b> To: <b>September 30, 2010</b>		
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>	
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>	
MINIMUM DELIVERY REQUIREMENTS		
<b>N/A</b>		

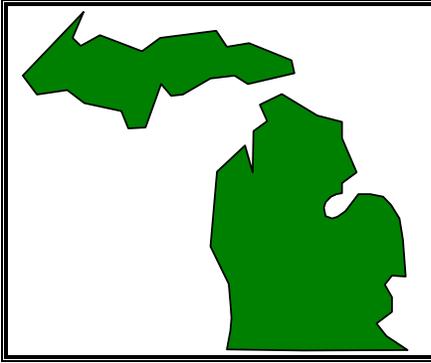
**Estimated Contract Value: \$3,264,967.65**

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MISCELLANEOUS INFORMATION:          <b>Estimated Contract Value:            \$3,264,967.65</b>	

<b>FOR THE VENDOR:</b>  <p style="text-align: center;"><b>Tier Technologies</b></p> <p style="text-align: center;">Firm Name</p> <hr/> <p style="text-align: center;">Authorized Agent Signature</p> <hr/> <p style="text-align: center;">Authorized Agent (Print or Type)</p> <hr/> <p style="text-align: center;">Date</p>	<b>FOR THE STATE:</b>  <p style="text-align: center;">Signature</p> <p style="text-align: center;"><b>Sean L. Carlson</b></p> <hr/> <p style="text-align: center;">Name</p> <p style="text-align: center;"><b>Director, Acquisition Services</b></p> <hr/> <p style="text-align: center;">Title</p> <hr/> <p style="text-align: center;">Date</p>
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**CONTRACT #071B5200317  
STATE OF MICHIGAN  
Department of Management and Budget  
Acquisition Services**

Financial Institution Data Matching Services for Multi-state Alliance

Buyer Name: Melissa Castro, CPPB  
Telephone Number: 517-373-1080  
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*FIDM Multi-State Alliance ITB*

**Article 1 – Statement of Work (SOW)** ..... 5

    1.0 Project Identification ..... 5

**1.01 PROJECT REQUEST** ..... 5

**Overall Objectives of Contract** ..... 5

**1.002 BACKGROUND**..... 5

    1.1 Scope of Work and Deliverables..... 6

**1.101 IN SCOPE**..... 6

**1.103 STATE OF MICHIGAN TECHNICAL ENVIRONMENT** ..... 7

**1.104 WORK AND DELIVERABLE** ..... 7

    1.2 Roles and Responsibilities..... 18

**1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES**..... 18

**1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES**..... 18

    1.3 REPORTS..... 18

**1.301 REPORTS (This section is duplicated in Task 3 - Section F)**..... 18

    1.4 RESERVED ..... 20

    1.5 RESERVED ..... 20

    1.6 Compensation and Payment..... 20

    1.7 Additional Terms & Conditions..... 21

**Article 2 – General Terms and Conditions** ..... 24

    2.0 Introduction ..... 24

**2.001 GENERAL PURPOSE**..... 24

**2.002 ISSUING OFFICE AND CONTRACT ADMINISTRATOR** ..... 24

**2.003 NOTICE** ..... 24

**2.004 CONTRACT TERM** ..... 24

**2.005 GOVERNING LAW**..... 25

**2.006 APPLICABLE STATUTES**..... 25

**2.007 RELATIONSHIP OF THE PARTIES** ..... 25

**2.008 HEADINGS**..... 25

**2.009 MERGER** ..... 26

**2.010 SEVERABILITY**..... 26

**2.011 SURVIVORSHIP**..... 26

**2.012 NO WAIVER OF DEFAULT** ..... 26

**2.013 PURCHASE ORDERS** ..... 26

    2.1 Vendor/Contractor Obligations..... 26

**2.101 ACCOUNTING RECORDS** ..... 26

**2.102 NOTIFICATION OF OWNERSHIP**..... 26

**2.103 SOFTWARE COMPLIANCE** ..... 27

**2.104 IT STANDARDS** ..... 27

**2.105 RESERVED** ..... 28

**2.106 RESERVED** ..... 28

**2.107 PAYROLL AND BASIC RECORDS**..... 28

**2.108 COMPETITION IN SUB-CONTRACTING**..... 28

**2.109 CALL CENTER DISCLOSURE**..... 28

    2.2 Contract Performance ..... 28

**2.201 RESERVED** ..... 28

**2.202 CONTRACT PAYMENT SCHEDULE** ..... 28

**2.203 POSSIBLE PROGRESS PAYMENTS** ..... 29

**2.204 RESERVED** ..... 29

**2.205 ELECTRONIC PAYMENT AVAILABILITY** ..... 29

**2.206 RESERVED** ..... 29

    2.3 Contract Rights and Obligations ..... 29

**2.301 INCURRING COSTS** ..... 29

**2.302 CONTRACTOR RESPONSIBILITIES**..... 29

**2.303 ASSIGNMENT AND DELEGATION** ..... 29

**2.304 TAXES** ..... 30

**2.305 INDEMNIFICATION**..... 30

**2.306 LIMITATION OF LIABILITY** ..... 32



2.307 CONTRACT DISTRIBUTION ..... 32

2.308 FORM, FUNCTION, AND UTILITY ..... 33

2.309 ASSIGNMENT OF ANTITRUST CAUSE OF ACTION..... 33

2.310 RESERVED ..... 33

2.311 TRANSITION ASSISTANCE..... 33

2.312 WORK PRODUCT..... 33

2.313 PROPRIETARY RIGHTS ..... 34

2.4 Contract Review and Evaluation ..... 34

2.401 CONTRACT COMPLIANCE INSPECTOR ..... 34

2.402 PERFORMANCE REVIEWS ..... 34

2.403 AUDIT OF CONTRACT COMPLIANCE/ RECORDS AND INSPECTIONS..... 35

2.5 Quality and Warranties..... 36

2.501 PROHIBITED PRODUCTS ..... 36

2.502 RESERVED ..... 36

2.503 RESERVED ..... 36

2.504 GENERAL WARRANTIES (goods)..... 36

2.505 CONTRACTOR WARRANTIES..... 36

2.506 RESERVED ..... 37

2.507 SOFTWARE WARRANTIES..... 37

2.508 RESERVED ..... 38

2.509 PHYSICAL MEDIA WARRANTY ..... 38

2.6 Breach of Contract ..... 39

2.601 BREACH DEFINED..... 39

2.602 NOTICE AND THE RIGHT TO CURE..... 39

2.603 EXCUSABLE FAILURE ..... 39

2.7 Remedies ..... 40

2.701 CANCELLATION..... 40

2.702 RIGHTS UPON CANCELLATION ..... 41

2.703 RESERVED ..... 43

2.704 STOP WORK..... 43

2.705 SUSPENSION OF WORK..... 44

2.8 Changes, Modifications, and Amendments ..... 44

2.801 APPROVALS..... 44

2.802 TIME EXTENTIONS ..... 44

2.803 MODIFICATION..... 45

2.804 AUDIT AND RECORDS UPON MODIFICATION ..... 45

2.805 CHANGES ..... 45

2.9 CONFIDENTIALITY ..... 46

2.10 DISCLOSURE OF LITIGATION..... 47

2.11 LIABILITY INSURANCE ..... 48

**APPENDICES**

Appendix A, Pricing

Appendix B, Reports

Appendix C, Alliance Specifications for Call Center

Appendix D, Michigan Survey



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

### **1.0 Project Identification**

#### **1.01 PROJECT REQUEST**

This Contract is to obtain services to conduct data matching between state child support enforcement agencies and financial institutions. The contractor will implement a program that is to enhance the collection of overdue child support. This is a (5) five-year contract beginning July 01, 2005 through September 30, 2010.

- The mission for child support enforcement is to enforce the support obligations owed by obligors to their children, locate delinquent obligors, establish paternity, and obtain child, spousal and medical support. The Federal Office of Child Support Enforcement (OCSE), under the adoption of PRWORA (Personal Responsibility and Work Opportunity Reconciliation Act) authorizes this activity.
- The primary objective of each state's Financial Institution Data Matching (FIDM) program is to discover assets belonging to delinquent obligors thereby increasing the collection of past due child support.
- Project implementation involves executing agreements with each of the states participating in the Alliance, and collecting all financial institution information that will be provided by each state to commence data matching effective 7/1/05. The contractor will facilitate state to state matching to increase the discovery of assets across state lines.

#### **Overall Objectives of Contract**

The overall objective of the contract is to procure the full range of services that are described above, and will result in the following:

Increase child support collections through the identification and location of financial institution accounts of delinquent obligors; facilitate interstate case processing; simplify standardization and centralization of the data match for Alliance states; provide savings through cost sharing of the FIDM process; provide enforcement staff and facilities to process lien notices and/or related customer services. The enforcement unit tasks may be procured from the contractor on an "as needed" basis.

#### **1.002 BACKGROUND**

The child support enforcement Program was established in 1975 as Part D of title IV of the Social Security Act. The Program helps to strengthen families and reduce welfare dependency by placing responsibility for supporting children on their parents. Designed as a joint Federal, State, and local partnership, the Child Support Enforcement (CSE) Program involves 54 separate State or territorial organizations, each with its own unique laws and procedures. State and local human service agencies, often with the unique laws and procedures often with the help of prosecuting attorneys and other law enforcement officials of family or domestic courts, usually run the Program. At the Federal level, the U.S. Department of Health and Human Services provides funding, training, and technical assistance to States through the Administration for Children and Families Office of Child Support Enforcement (OCSE).

Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), provides new enforcement remedies for child support. Among these are Section 466(a) (17) of the Act which requires States to establish procedures under which the State child support enforcement (IV-D) agency shall enter into agreements with financial institutions doing business in the State for the purpose of securing information leading to the enforcement of child support orders. The State shall develop and operate, in coordination with these financial institutions, a data match system in which each financial institution will provide quarterly the name, records address, social security number or other taxpayer identification number for each non-custodial parent who maintains an account at such institution and who owes past-due support. The State must supply the name and social security number or other taxpayer identification numbers. These procedures must provide for automated data exchanges to the maximum extent feasible.



The data matches are done by either of the following two methods using data specifications approved by the U.S. Office of Management and Budget (OMB Control No: 0970-0196) in 2004, or as amended thereafter. Under Method 1 (all accounts method) a financial institution submits a file containing all accounts that are matched against records of delinquent obligors.

Under Method 2 a financial institution receives a file containing records of delinquent obligors from the contractor, matches the file against all its accounts, and submits a file of matched records.

#### **Legal Basis**

**MSFIDM - (Multi-State Financial Institution Data Match)** Public Law 105-200, the Child Support Performance and Incentive Act of 1998, modified PRWORA to better facilitate the data match for multi-state financial institutions (MSFI's); i.e., those operating within two or more States. Public Law 105-200 authorizes the federal Office of Child Support Enforcement (OCSE) to act as the conduit between the States and territories and the MSFI's in the development and implementation of a centralized, quarterly data match program for the collection of child support delinquencies. Multi-state financial institutions may opt to match through the federal OCSE or with the individual states in which they do business. Beginning in July, 1999, the OCSE began distributing the national file of delinquent obligors to the MSFIs for matching using Method 2, as well as disseminating information to the State IV-D agencies. We refer to this process as "MSFIDM".

Pursuant to Section 466(a)(17)(C) of the Social Security Act, a financial institution will not be liable under any federal or state law to any person for (1) any disclosure of data match information to the state IV-D agency, for (2) encumbering or surrendering any assets held by a financial institution in response to a notice of lien or levy issued by the state IV-D agency, or (3) for any other action taken in good faith to comply with the requirements of Section 466(a)(17) of the Act.

**Lien And Levy** - Section 466(a)(17)(C) A state child support agency is required to establish procedures to identify cases that meet arrearage threshold and other program screening criteria subjecting them to the data match and to any subsequent attachment/lien and levy action. Financial institutions subject to the matching provision are required to encumber or surrender the assets held by the delinquent obligor in response to the notice of attachment/lien and levy from the state agency. The attachment/lien and levy action is subject to the laws of the state where the asset is located and to those respective due process provisions, as well as to account balance thresholds and exemption thresholds of those laws.

#### **Multi-State FIDM Alliance**

All FIs that choose not to exchange data with the federal OCSE must exchange financial information with the IV-D agency of the state where the FIs are physically located. For this purpose each state enacted enabling legislation. Citations for the legal authority to accomplish in state FIDM are included in state appendices.

Fifteen states have entered into an Alliance for the purpose of outsourcing in-state FIDM programs. The Alliance is a coalition of states formed to cooperatively develop, issue, and oversee these FIDM operations. The Alliance will continue to focus on cooperation on data matching functions.

### **1.1 Scope of Work and Deliverables**

#### **1.101 IN SCOPE**

The overall objective of the contract is to procure the full range of services that are described above, and will result in the following:

Increase child support collections through the identification and location of financial institution accounts of delinquent obligors; facilitate interstate case processing; simplify standardization and centralization of the data match for participating Alliance states; provide savings through cost sharing of the FIDM process; provide enforcement staff and facilities to process lien notices and/or related customer services. The enforcement unit tasks may be procured from the contractor on an "as needed" basis.

#### **1.102 OUT OF SCOPE**

An example of "out of scope" work would be a state's requesting that the contractor appear at a hearing where a delinquent obligor is contesting a lien notice.



**1.103 STATE OF MICHIGAN TECHNICAL ENVIRONMENT**

- Oracle 9i on HP-UX - selection of obligors from the production system, storage of responses for use by the online system (pulls them from Teradata via Oracle to Teradata Gateway on Sun Solaris)
- Teradata v2r5 on NCR UNIX - processing and storage of FIDM/MSFIDM responses from FIDM Vendor and OCSE
- MS Access w/VB front end - standalone CEU FIDM database for processing Lien/Levy - pulls response data from Teradata

Exchange environment

- Exchange with FIDM vendor is via VPN through Michigan's Data Exchange Gateway (DEG)
- Exchange with OCSE for MSFIDM is via CONNECT:DIRECT through the DEG

Ownership of anything developed

- the software on the Michigan side of the VPN was developed by contract staff in house and belongs to the State of Michigan
- the software on the FIDM Vendor side of the VPN is owned by Tier Technologies

Multi-State FIDM

Defn: FIDM matching against financial institutions that operate in more than one State.

Inbound / Outbound Data: the data going to the Feds is via tax offset file, but the data coming into Michigan is via the FCR Locate Response file from OCSE through the DEG.

State FIDM

Defn: FIDM matching against financial institutions that operate in Michigan only.

Inbound / Outbound Data: Travels to and from TIER through a "virtual private network".

Note: VPN is often referred to as a "VPN tunnel".

**1.104 WORK AND DELIVERABLE**

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

**TASK 1 – Initial Outreach to Financial institutions (FIs)**

a) Solicitation through Signature (optional task by state)

The contractor must develop a strategy, produce necessary material, contact all FI associations and perform outreach to FI tasks for those states that have not mailed initial FIDM packets. This outreach task will primarily assist new states, which may join the Alliance and have yet to start a FIDM matching program. See Table below:

State	Total FIs*	Number of FIs Signed	Percent
Alaska	20	20	100%
Arizona	208	52	25%
Colorado	341	210	62%
Illinois	1280	650	51%
Indiana	395	379	96%
Maine	145	117	80%
Maryland	224	151	67%
Michigan	560	522	93%
Montana	146	144	99%
Nebraska	365	329	90%
Nevada	60	60	100%
North Dakota	170	166	97%
Ohio	805	660	81%
Texas	1342	1216	91%
Wisconsin	573	571	99%



\*Total FIs column represents FIs identified, but not all have signed agreements as of February 2005.

The following outreach steps must be accomplished (but are not limiting):

- Identify all FIs doing business within the state
- List all FIs by category (e.g. type of institution, matching multi-state or in-state, meeting waiver criteria, etc.)
- Contact all trade associations
- Contact all single state FIs and conduct outreach about FIDM requirements, protocols, and lien and levy activity for the respective state.

Additional states may join the FIDM Alliance during the term of this contract. If a new state has yet to start FIDM activity, or has a minimal amount of FIs signed up, the outreach start-up tasks will be key to the success of the new state's program and participation in the Alliance.

Compensation for this task will be provided on a per FI basis.

b) Outreach to newly established FIs

Each year newly established FI open their doors for business and register their institution with the banking regulatory agencies. The contractor must monitor regulatory agencies listing to identify these newly established FIs, and enroll such institutions with the in-state FIDM program (or determine that such FIs are matching through MSFIDM).

It is anticipated that newly formed FIs will not be familiar with the FIDM program. The contractor must act as the states' agent in orienting these FIs with regards to the FIDM program requirements and state policies.

The contractor will be compensated for this work through a unit price quoted on the cost proposal sheet. (Compensation for this task excludes newly named/formed FIs as a result of a merger). Any associated material production, distribution and postage will be reimbursed "at cost" by each state.

(c) Face to face meetings with FIs or groups of FIs/associations-Meetings will be set only at state direction and with pre-approval. Contractor will be compensated for professional time upon arrival at client state (per day basis) of an IT specialist and/or a FIDM program staff person.

(d) The contractor also will provide on-going outreach to respective trade associations for the same. All outreach activities will be reported regularly to the state. Materials have been developed by the federal OCSE and each state. The contractor must build on these materials and in all cases must obtain approval from the contract administrator prior to any distribution. (Material production, or reproduction, postage, and distribution costs will be reimbursed by each state).

Samples of previously used FIDM materials will be provided by each state to the contractor.

## **TASK 2- SERVICES TO FINANCIAL INSTITUTIONS and CLIENT STATE**

The support services will include the following:

Provide the link to the financial data match specifications handbook. This is a user guide to assist technical staff. The handbook is located at: <http://www.acf.dhhs.gov/programs/cse/fct/fidm/dataspecs.pdf>

(a) Develop and support a dedicated, toll free customer service telephone line for financial institutions and participating states (one line for both). The contractor is required only to provide one toll free line for the entire Alliance. The "Alliance specifications for the call center" (Appendix C) are now a part of this Statement of Work. Please see attached call center specifications dated February 23, 2005. The contractor must also track and report statistics such as number of calls, types of questions, and allow participating states to access this information via a website.



(b) Costs quoted for the customer service line will include all expenses for this feature including contractor staff, maintenance and all telephone line fees. Contractor will charge a quarterly customer service line fees which will include the first 300 incoming calls and invoice the state for any calls above the 300 allowance. (See pricing section 2 a and b).

Invoice provided to states must include detailed calling information (e.g. who called in.)

### **TASK 3- DATA MATCHING SERVICES**

#### **A: Match Methods:**

The Contractor will offer Method 1 and Method 2 matching. In performing these match operations, the contractor will receive and send information according to the data specifications approved by the U.S. Office of Management and Budget.

To conduct the match operations, the contractor will receive delinquent obligor records. The delinquent obligor records are contained in each state's central file, known as "delinquent obligor file," or "inquiry file." Some states provide the inquiry file to the contractor with duplicate social security numbers. In such cases, the contractor is required to strip out the duplicate social security numbers prior to sending the file to Method 2 FIs. After the initial load of cases, regular updates will be provided on a periodic basis. Complete reload can occur at a state's request.

To perform Method 1 (all accounts method), the contractor will receive account records and quarterly updates from financial institutions. The contractor will match these accounts with records of delinquent obligors quarterly; the match is conducted within 2 business days of receipt of the financial institution file and match records are transmitted to the state child support agency within 2 business days of completion of the match process. The state shall not be liable to pay for any match results not transmitted to the state within 4 business days of receipt of the financial institution file from the FI.

To perform Method 2 (matched accounts method), the contractor must be able to send, on a quarterly basis, records of delinquent obligors to each financial institution and to receive match records back from the financial institution. The contractor must track and perform follow-up with financial institutions to ensure that the FIs comply with a 45-day response deadline. Match records must be transmitted to the state's child support agency within two business days following the day of receipt of the match response file from the FI. The state shall not be liable to pay for any match results not transmitted to the financial institution or state child support agency within the specified time frames. Exceptions to the two-day rule will be made when 5% or more of the records in the file received from FIs contain errors.

#### **B: Transmission:**

The contractor will send and receive record information in the specified format (Method 1 and Method 2, as defined by the federal Financial Data Match Specifications Handbook – October 25, 2004) of the participating state and the selected media option of each financial institution. The media and transmission options that are accepted include, but are not limited to, the following:

Cartridge - 3480/3490 and EBCDIC and ASCII

Tape reel

Diskette - 3.5 and 5.25 inch

CDs

DAT - 4mm and 8mm

File transfer protocol (FTP)

Internet

Paper –extremely small FIs may transmit data in paper format. The contractor must encode information pursuant to each state's requirement. The contractor is compensated for the encoding process separately.



The contractor will provide data security through such means as encryption, file transfer protocols, public-key infrastructure and unique log-on identification and password combination. Each state will identify its desired format prior to commencement of the project using Intranet, VPN, etc.

### **C. Screening and Data Reliability:**

The contractor will work with each state to identify each state's major criteria for data integrity reliability (per the federal Financial Data Match Specification Handbook dated October 25, 2004).

The contractor will develop and maintain an automated process for screening delinquent obligor cases and files received from financial institutions to ensure data integrity and correct formats necessary for processing results to the client state's system. This is, and will continue to be, provided during the entire contract period. The contractor will work with the states and financial institutions to report and correct any data integrity and reliability issues. Ensuring reliable data is a priority when processing financial institution files. The matching process validates numerous fields such as account numbers, account balances, last name control, match flag and payee indicators. Data received from financial institutions must be carefully screened to eliminate errors before the contractor sends the data to the client state. These errors include, but are not limited to, invalid file formats, incomplete files (no trailer record provided), no account numbers provided, invalid or missing account balances, and payee last name control not populated. In some instances the match processing will validate all method 2-trailer records before any data is sent to the client state. This assists in ensuring that financial institutions send valid data. If there are no major errors (to be defined by the client state) contained in the file, the contractor will send the data to the client state in the manner and format specified by the client state. The contractor shall make a note of all abnormalities within each file and will work towards a solution to ensure that more accurate data is provided to the client state in the next quarter's file.

### **D. Matching Files Between Participating States Having Reciprocal Agreements:**

Several Alliance states have entered into reciprocal agreements for Method 1 matching which calls on the contractor to share incidental hits among these states. Incidental hits may occur when (Method 1) financial institutions share the entire account holder file with the FIDM contractor. For example: The FIDM contractor can match the Michigan obligor against Texas' "Method 1" Financial Institutions and report back to Michigan any hits located as a result of this routine matching process.

The contractor will offer each participating state the option to perform a match of the state's delinquent obligor records with Method 1 financial institutions for this purpose once per quarter. The contractor shall not charge an extra fee for these incidental hits.

### **E. State to State Matching**

#### **E.1. State to State Matching within the Alliance**

This task is on request of the participating states, and is only charged per occurrence. This task is for matching one Alliance state's obligor file or sub-file with another Alliance state's file. Concatenation of such files is the contractor's responsibility as is processing of data and sending the results of the data match to both states. The state to state matching process requires a letter of understanding between the two states. (I.e. Texas exchanges obligor files with Michigan, but includes only obligors whose last known address is in Michigan. Michigan reciprocates in the same fashion.)

#### **E.2. State to State Matching outside the Alliance**

This task is on request of the client state and is only charged per occurrence. This task is for matching the client state's file with a file from a state that is not a part of the Alliance. The contractor is responsible for the concatenation, processing and reporting results to the client state. This may include states that are members of Electronic Parent Locator Network (EPLN) Consortium or other states or other jurisdictions that are prepared to conduct state to state matching. It is the responsibility of the state and not the contractor to reach these agreements. The contractor may be asked to be part of the technical discussions and to offer solutions if compatibility or security questions arise. The contractor will be expected to fully cooperate with the state and provide assistance as requested in these instances. The contractor will provide updates once per quarter per participating state.



Costs in cost proposal will include all expenses for contractor staff, equipment, materials, line charges and any other expenses associated with these activities.

#### **F. REPORTS (This section is duplicated in Section 1.301)**

The reports and functions, which the FIDM Alliance is currently receiving, are designated as the minimum standard. This contract includes at a minimum the list of reports, views, and functions as detailed in Appendix B.

Reporting via Web Inquiry and download:

The contractor must produce the reports listed in appendix B, and make them available to the contract administrator through a web view product. In addition to the state's ability to review these reports online, the state also must have the ability to download these reports on demand.

#### **TASK 4 - COMPLIANCE ASSURANCE**

##### **FI Compliance**

The guiding principle for all contractor communications with FIs is to establish and preserve a sound and professional relationship. The success of any IV-D FIDM program depends on positive relationships among the FIs, the state and the contractor. It also depends on valid data being provided within set timeframes. The contractor is responsible for the following:

Monitoring FIs for compliance with data matching deadlines

Timely contacting delinquent FIs to obtain compliance and, when necessary, working with personnel at the FI to resolve problems

Reporting to the state's contract administrator when contacts do not result in compliance

Maintaining an electronic communication log accessible to Alliance states documenting all contacts with FIs

Detecting errors in FI files and actively working with FIs to correct the errors

Reporting non-compliance through a contractor supplied website that provides a secured page for each participating state. The website must provide secured access to the state's contract administrator for inquiry and downloading. Paper reports also may be needed for reporting of error handling.

The contractor is responsible for detecting compliance issues and remedying them as set forth below. Minimum contact with a non-compliant FI includes written notification, followed by a phone call if the letter does not produce timely results. (Unreturned phone calls do not constitute an action.) If the contractor is unsuccessful with remedying the compliance issues the state must be notified. Non-compliant FIs include FIs who are out of compliance with their agreed upon exchange schedule; those who do not submit data within the 45 day return period; those who have failed to respond to outreach efforts (i.e., have not entered into an agreement with the state); and FIs who submit files with errors. In the case of FIs who submit files with errors, the remedying timeframe will apply only to files with critical errors that render the file useless. Less critical errors should be corrected for the following quarter's data match. It is the contractor's responsibility to work with technical personnel at the FI to ensure timely and accurate data matching.

The contractor must monitor:

- a) Financial institution compliance with the data match;
- b) Financial institution compliance with deadlines;

The Contractor must provide to the state's contract administrator on-line reports summarizing:

- a) Financial institution compliance with the data match;
- b) Financial institution compliance with deadlines;
- c) Contractor compliance with deadlines;
- d) Contractor compliance with performance standards and quality assurance of processing requirements;
- e) Summary of financial institution reporting errors; and



- f) Name of financial institution whose accounts were matched against the state records, for state to state matching the state in which the institution/hit is located then the total number of hits matched for that quarter.

The contractor is to ensure compliance and, at a minimum, provide enforcement on four levels. For the purpose of this task a “day” is defined as a business day.

**Level One non-compliance - FIs that have been contacted, but never signed FIDM contract. (Day 1).**

FIs that have not signed a FIDM agreement must be contacted within two days from “due date” defined by the original solicitation letter (day 3). The contractor may need to provide the FI with a second packet to include a letter from the state, a FIDM brochure, a copy of the laws governing the FIDM authority, and a copy of the agreement to be executed. The contractor shall also provide the FI an opportunity to call in to a toll free number for technical and/or program support. The technical support must include the opportunity for FI technical staff to test a FIDM exchange harness and/ or test an Internet exchange test transaction. An emphases must be placed on data security as well as offering all Method 1 FIs (Method 1 is not available in all states) the option to receive the data file back through a secured exchange.

FIs that do not comply with the second FIDM packet within 14 days must be contacted by telephone within four days (day 21). The contractor shall make every effort to overcome concerns raised by the FI to ensure a FIDM agreement can be executed. If it is determined that a personal meeting with FI officials would assist in overcoming FI concerns, the contractor shall schedule such a meeting within 10 days from the telephone contact date (deadline for meeting - day 31). Possible meetings between the contractor & FIs may occur only at the request of a state. If such a meeting is requested, the contractor will be reimbursed for travel expenses only at that state’s travel rates. States electing this service would have to determine how many meetings may be required. Should the contractor and FI reach an impasse, either with or without a face to face meeting, the situation (including communication log, correspondence, etc.) will be submitted to the state’s contract administrator. (Either day 24 or day 33 – see chart).

Once the state resolves FI concerns, the contractor shall follow up and ensure FIDM contract execution, profile completion and distribution of material.

An ongoing “non compliant” level one report, with aging column indicating the number of days the FI is considered to be out compliance must be provided to the state through the secured Web site.

Summary table "**Level One**"

Day 1 - Contractor determined no response by original due date
Day 3 - Second packet mailed with reminder letter (If no response) Contractor to determine if an impasse has been reached or if communication may solve the matter. A meeting may be scheduled within 14 days
Day 17 - Contractor to make phone contact – actual personal contact
Day 21 - Contractor determines, no meeting needed, impasse
Day 24 - Situation is turned over to state (if no meeting is held)
Day 31 – Deadline for meeting
Day 33 – (meeting failed) File is turned over to state

**Level Two non-compliance - FI signed contract but never exchanged data**

A second non-compliant report must be made available to the state when an FI does not comply with the FIDM agreement and did not exchange data (day 1). The contractor must send a letter to the FI within seven days after the data/file was due (day 8). If there is no response within 14 days from date of the letter, the contractor shall contact the FI by telephone or in person -day 22. (Any meetings between the contractor and the FI must be pre-approved by the state). A communication log and FI profile must be updated to document all communiqués. If the FI indicates it has had problems meeting its FIDM requirements, the contractor shall assist the FI so that it can resume the data matching process.



In the event that the contractor and the FI reach an impasse after a discussion, the situation must be elevated to the state’s contract administrator within 5 days (day 27).

An ongoing “non-compliant” level two report, with aging column indicating the number of days the FI is considered out of compliance, must be made available to the state through a secured Web site.

The state will notify the contractor once the problems associated with exchanging the data have been removed, and request that a data exchange commence within a certain time frame to be determined by the client state.

Summary table "**Level Two**"

Day 1 -Contractor determined no file received by due date
Day 8 – Contractor to mail Letter as a reminder (if no response)
Day 22 - Contractor to make telephone contact – or personal contact (Contractor to determine if an impasse is reached, or if communication may solve matter.)
Day 27 – Situation is turned over to state

**Level Three non-compliance - FIs that have matched but have failed to maintain the agreed exchange schedule. (Day 1)**

The contractor must send a letter to the FI within fourteen days after the file was due (day 15). If no response is received within 14 days from the date of the letter, the contractor shall contact the FI by telephone or in person -day 29. (Any meetings between the contractor and the FIs must be pre-approved by the state.) A communication log and FI profile must be updated to document all communiqués. The FI may indicate that it has encountered problems meeting its FIDM requirements, and that submitting a file within the time frame agreed upon is unattainable.

In the event that the contractor and the FI have reached an impasse, the situation (including the FIs electronic communication log and copy of correspondences) must be elevated to the state’s contract administrator within 5 days (day 34). The contractor shall participate in any technical discussions that take place between the state and the FI. An ongoing “non-compliant” level three report, with aging column indicating the number of days the FI is considered out of compliance, must be made available to the state through a secured Web site.

The state will notify the contractor once barriers for exchanging data have been removed.

Summary table "**Level Three**"

Day 1- Contractor determined a data file is not received
Day 15 - If data file is not provided, a reminder letter is mailed to the FI
Day 29 - Still no data - contractor to make telephone contact (Contractor to determine if an impasse is reached, or if communication may solve matter.)
Day 34 - Situation is turned over to state

**Level Four non-compliance - FIs that match FIDM data, but repeatedly submit files that contain data errors. (Day 1)**



Data files submitted by FIs might contain data errors, which must be corrected. However, at the state's discretion, records containing errors must not delay the "hit" data from being transmitted to the state. For example: Some FIs may submit matched accounts to the state with erroneous coding of account types (such as categorizing a Certificate of Deposit account as a miscellaneous account). Such errors must be brought to the attention of the FI (or the third party processor) within 7 days of the error discovery (day 7). The contractor must ensure that the "hit" file is still provided to the state. The contractor shall work with the FI to ensure that the error is corrected.

Depending on the nature of the error, a state, at its option, may direct the contractor to reject the data file and ensure that the file is corrected before providing the hits to the state. An ongoing "non-compliant" level four report, with aging column indicating the number of days the FI is considered out of compliance, must be made available to the state through a secured Web site. The nature of the error must also be included in this report.

In the event the same errors appear on the next quarterly match (day 98), the contractor must contact the FI to assess situation. If an impasse is reached, the situation must be turned over to the state (day 105).

Summary table "**Level four**"

Day 1- Contractor determined file contains data errors - hits sent to state with an alert to data deficiencies
Day 7 - A letter is mailed to FI with a sample error asking for next match to be corrected
Day 98 - New file arrives with same deficiencies - contractor to make actual contact with IT staff / provider. Every effort is to be made to resolve issue
Day 105 – situation is turned over to state
Once issue is resolved – both FI and contractor are asked to resume exchange of data

#### **TASK 5 - INFORMATION SHARING VIA THE CLIENT STATE AND FIDM WEB SITE**

The contractor will provide sharing of information among participating states via the FIDM Web site. The web site includes shared files, interactive communications log, and links to state Web sites as well as:

- State agreements
- State Attachments
- State Cover letters
- State brochures and FI User Guide
- Any state-specific documents provided
- Contractor services provided under the contract
- Forms and publications used by the Alliance and the contractor for this project
- Matrix providing a profile of participating state's data match program
- A link to the federal FIDM Web site
- Secure internet Web site for receiving and sending case and account information to and from participating states and financial institutions that have selected the Internet as the medium for transmission
- The contractor needs to provide updates once per quarter for each participating state.
- In addition to the quarterly updates, Web site must be amended as needed for corrections, legislative changes, etc.

#### **TASK 6 - PROJECT MANAGEMENT, INVOICING, AND TRANSITION TO NEW CONTRACTOR**

(a) The contractor will provide and oversee the following tasks to ensure comprehensive project management and invoicing.

- Generate invoices timely and on scheduled frequencies of monthly, quarterly and annually;
- Perform self-assessment;



(b) The contractor will facilitate conference calls with state staff and pertinent contractor operations and technical staff, monthly or as requested; (There shall be no charge to the client state for any conference calls as needed throughout the contract term)

- Facilitate Alliance conference calls. Face to face meetings between the contractor and participating states will be established at a state's request. Compensation for requested face to face meetings will be paid for by the state, and can only be billed if the meeting actually occurs. (See pricing section 6 b).
- The Alliance does not anticipate any Alliance-wide meetings that would require the contractor to appear in person.

(c) Contractor to reimburse FIs where applicable.

(d) Funding for FI reimbursement. (This line item is for state use only)

The contractor shall process invoices from FIs seeking reimbursement for in-state FIDM matching.

For those states whose laws require the IV-D office to reimburse FIs, and choose to engage the contractor for this service, the contractor is required to assist the state with this task. Some Alliance states receive invoices from FIs quarterly and others annually. States that require this service have identified the number of FIs which generally request reimbursement in pricing page line 6c.

Prior to processing these invoices, the contractor must:

Determine if the FI has met all requirements making them eligible for state reimbursement. (As an example, FIs must show actual expenditures for the cost of the matching e.g. third party processor) Ensure that the FI actually matched data for that quarter.

Contractor shall pay the FIs in accordance with the state's reimbursement policy and schedules. Once the contractor has paid the FI invoice, the contractor may in turn invoice the state for reimbursement. The contractor's invoice(s) to the state must be accompanied by the original invoice(s) from the FIs (showing the date(s) paid). Invoices to the state shall be submitted in accordance with a schedule set by the state's contract administrator.

The fee for this service is included on pricing page line 6c.

#### **TASK 7 – ENFORCEMENT UNIT /CUSTOMER SERVICE/STAFFING AND FACILITIES (OPTIONAL TASK BY STATE)**

- Once the participating state has processed the financial institution's "hit" information it is generally made available to IV-D program enforcement staff. The IV-D agency will file a lien and freeze the assets located at the financial institution according to state and federal law.

**TASK 7 OPTION A: PRODUCE AND SEND LIEN NOTICES TO FINANCIAL INSTITUTIONS:**

The contractor shall provide an optional service that will identify, using a participating state's criteria, financial accounts of obligors that are eligible for filing of a lien. The contractor shall provide a means to permit the state to select and approve identified financial accounts on which a lien will be filed. At state option, this service shall include the contractor's sending liens from multi-state matches.

The contractor's service also shall provide the ability for a state to enter information in order to permit the contractor to send a lien on a financial account that was not identified through the in-state FIDM data matching process, but for which the state desires to issue a lien nevertheless.

Upon approval from the state, the contractor shall produce and send the lien notice using the state's lien form / lien packet to the financial institution where the account is located, to the obligor, and any other person known to have an ownership interest in the property subject to the lien. This process shall follow the participating states' laws and procedures and will be made a part of the contract between the contractor and the participating state.

All contact information on the lien documents for financial institution and/or obligors will be state or county contact information. In the event that the contractor is contacted in any manner by any party regarding the lien, the contractor shall refer the inquiring party to the state FIDM Lien Coordinator.

The unit price quoted to produce and distribute a lien packet includes all contractor costs and expenses, not including postage. Actual costs for mailing lien packets will be reimbursed by the participating state, should the state require the contractor to mail the packets to financial institutions. The contractor is expected to sort and prioritize FIDM matches, produce lien notices, and track liens mailed to the FIs utilizing its own automated tools. The Alliance does not seek ownership of such tools.

**TASK 7 OPTION B – ASSIST STATE IN CREATING AND IMPLEMENTING A FULL SERVICE CENTRAL LIEN AND LEVY UNIT:**

1. Consult and design business workflow models for a centralized FIDM unit.
2. Design and produce legal freeze and seize forms – in the event the state does not have its own forms. Amend forms if/as needed at state option.
3. The Alliance will rely upon on the automation functions available through the contractor's tools.
4. Produce for approval (state or county) a list of all obligors/hits, which fit criteria set by state.
5. Print liens for all approved hits, quality control the forms printed, sign if needed and mail notices to the financial institutions.
6. Staff a centralized enforcement (call center) unit to provide client and levy customer services. All staff will be trained by the contractor to process information and documents in conformance with the client state's rules and procedures. This may include a complete administrative "due process" business model reflective of the participating states protocols. The unit will act as front line service for all account holders objecting to a lien.

**TASK 8 - MAINTAIN AGREEMENTS WITH FINANCIAL INSTITUTIONS**

The contractor will maintain the profiles for financial institutions that have entered into formal agreements with the participating state. This includes modified election forms and waiver forms; distributing election packets if requested; tracking the status of outstanding agreements; maintaining a data base of the financial institutions' reporting information; tracking financial institution mergers. The contractor must also provide for maintenance and management of election form amendments as required, with accepted communication being E-mail notification. The contractor must maintain all financial institution profiles, updating all mergers, closures, and new FI enrollees. Contractor must annually cross-reference each state's FI profile table with FI regulatory authorities to ensure that all FIs are participating with either MSFIDM or single-state FIDM. Contractor is to contact single-state financial institutions (SSFIs) that merge and conduct outreach to obtain a new agreement and ensure data matching is in place if the merger resulted in a new SSFI entity.



Once 2005-2010 contracts are executed, each state's contract administrator will assist in determining which regulatory agencies must be cross referenced to maintain current FI tables, and if special access approval is needed it shall be obtained.

Each state and the contractor will establish at the outset which official will be executing FIDM agreements between the IV-D agency and the FIs. Some states may delegate signature authority to the contractor as an agent; others will retain signatory responsibilities.

There are Alliance states that will need to mail out new FI agreements to all FIs for re-signature. Those states who will delegate this assignment to the contractor have identified the number of FIs which will need to receive new agreements. (See pricing section 8 b) It is the state's responsibility to develop the new agreements and provide it to the contractor as a completed document.

### **TASK 9. Assisting States with Lien & Levy Requests**

**Note: The requirements of Task 9 are not to be confused with Task 7-Central Enforcement/Customer Service.**

**Background:** Several states are transmitting liens directly to FIs within their state as well as across state lines. Many FIs do not accept liens arising outside the state in which they conduct business without domestication of the order. Some states have informally assisted each other in serving liens to FIs within their own state border on behalf of another state.

This process has varied throughout the country, which includes:

- a) Interstate Transmittal #1 to Central Registry, where assistance is sought through the state where the asset is located. (Full-service)
- b) Interstate Transmittal #3 through a Central Registry of the state where the asset is located. (Limited service)
- c) Informal Automated Enforcement Interstate (AEI) request is filed through an electronic interface between the requesting state and the responding state. (This is currently being utilized by the Southern Locate and FIDM Alliance, known as Electronic Parent Locate Network (EPLN) hosted by South Carolina.
- d) Informal manual process between cooperating states whereby a paper file containing IV-D case information is mailed/faxed to and from requesting and responding states. Currently Michigan and Texas are utilizing this process to assist each other in overcoming the jurisdictional barriers.
- e) A formal process has been proposed where the federal Office of Child Support Enforcement would deliver the lien on behalf of requesting states. (See Q & A document # 98)

**Objective:** Five members of the Alliance (Texas, Michigan, Ohio, Colorado, Illinois) have indicated interest in acquiring an automated solution. The Alliance states are requesting that the contractor provide an automated solution to assist Alliance lien and Levy units (both at a central and county level) to initiate a "lien/levy assistance request" through secured internet function.

- a) States participating in an automated lien/levy assistance request will sign an Alliance letter of agreement to reciprocally receive and send such requests through the contractor's secured web site interface. The Alliance lead state will take the responsibility for developing the Alliance letters of agreement.



b) Customized screen development. With the assistance of the Alliance, the contractor must develop a standard screen protocol, which will contain optional fields for identifying case information to be entered (or pre-populated from the match-file, where possible). States which have elected to purchase this service must approve the final screen content and development. Additionally, a screen must be developed to allow for the cooperating states to record dollars collected as a result of the lien/levy assistance requests processed through the contractor's web site.

c) Functionality. The Alliance states must have the ability to:

- 1) Send the request electronically (with the option of a copy to be sent to the field worker if desired.)
- 2) The receiving state must have the ability to acknowledge receipt (with the option of a copy to be sent to the field worker if desired.)
- 3) The contractor must record the transmissions and create a tracking and archiving function.
- 4) The contractor must provide reporting functions to include state-level summary of all requests processed, rejected, and collection results.

#### ***Contractor's Compensation-Task 9***

See pricing section 9 for compensation. The contractor should be aware that additional programming hours may be needed should Alliance states request customized interface functionality to their state-wide child support systems and/or other filters or special requests. The criteria to place a lien will differ state by state, and therefore some states will want to acquire a filter which will automate screening requests received from other states. For example, Michigan excludes liens on IRA accounts while Texas laws permit it. Where bidders will require additional compensation for such programming, bidders should quote an hourly rate for programming.

## **1.2 Roles and Responsibilities**

### **1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES**

See TASKS specific to contractor state, roles etc.

The work is to be performed at the contractor's site. Travel will be required to the participating capital city as needed. This routine travel will be paid at the contractor's expense.

The data matching work must be performed at a secured site. This site must be subject to inspection by each Alliance State. It is not necessary to maintain a physical office in each capital city.

### **1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES**

See TASKS specific to contractor state, roles etc.

### **1.203 OTHER ROLES AND RESPONSIBILITIES**

See attached Michigan survey (Appendix D).

## **1.3 REPORTS**

### **1.301 REPORTS (This section is duplicated in Task 3 - Section F)**

The reports and functions, which the FIDM Alliance is currently receiving, are designated as the minimum standard. The contract includes at a minimum the list of reports, views, and functions as detailed below and in Appendix B. Reporting via Web Inquiry and download:



The contractor must produce the reports listed below and make them available to the contract administrator through a web view product. In addition to the state's ability to review these reports online, the state also must have the ability to download these reports on demand.

**FIDM SUMMARY BY STATE (MONTHLY)** (AKA "FIDM AT A GLANCE")

This report provides a view of each state's FIDM summary including; total number of cases submitted for matching, total number of obligors, matches completed (both full and partial), located funds and received funds. The received funds report can only be produced if the state elects to provide this data to the contractor.

**FULL MATCH ACCOUNT ANALYSIS (QUARTERLY)**

This report lists all "hits" which were established through the matching process (both method 1 and 2). The report provides alphabetical listing of the obligor's name, social security number, case number, FI name and Tax Id number, and located account numbers.

**PARTIAL MATCHED ACCOUNTS ANALYSES (QUARTERLY)**

This report lists all "hits" which were established through the matching process (both method 1 and 2) but were not a perfect match. This occurs primarily due to name field discrepancies.

The report provides alphabetical listing of the obligor's name, social security number, case number, FI name and Tax ID number and the located account numbers.

**CASE MATCH ANALYSIS (QUARTERLY)**

This report summarizes the total number of hits received and the sum total available for lien and levy activity. The fields that are required at a minimum are; FI name, tax ID number, state where the FI is located, method number used for matching, FI account base which the state's obligor file is being matched against, accounts actually processed during the match, number of matches made, hit ratio, sum total of the FI reported balances for those accounts which made a "hit", and the obligor's arrears along with an arrears ratio as it relates to the sum found within the FI.

**FILE COMPLIANCE SCHEDULE – (MONTHLY)**

This report shows a complete list of all FIDM FIs in matching production, match method used, scheduled week for matching, the date a file was last received from the FI, and the date that the file was processed by the contractor.

**NON-COMPLIANT FINANCIAL INSTITUTIONS - (WEEKLY)**

This report is to ensure that all FIs are participating in the data matching process as detailed in the agreements with the client state where the FI is located. The minimum fields required are: FI name and tax ID number, match method type, media type used by the FI, the week in the quarter that the file was due, non-compliance date (or the date the file was due), number of days which the FI is overdue, FI administrator's contact information, the date the contractor contacted the FI regarding the problem and the contact method.

**STATE TO STATE REPORT – (QUARTERLY)**

This report is a summary of all state-to-state matching activity completed and in progress between two states. It depicts which two states are exchanging obligor files, which quarter is being processed and the status of the match.

**HITS RECEIVED/ACCOUNT BALANCE STATE TO STATE - (NEW REPORT FOR 2005-2010)**

This report requires that the contractor provide a view / report summarizing the matches accomplished as a result of an effort by any two Alliance (state to state results only).

Additional Ad Hoc Reports:

- Potential Collection Report (Assets found correlated to arrears on case.)
- Account Balances greater than \$XXX (most states are using \$3,000)
- Un-registered Financial Institutions - monthly
- Registered Financial Institutions – monthly log of all contracted FI's

In addition to the reports Web Site communication log (page) must be established and maintained to facilitate communication between state FIDM staff and the contractor.

Additional reports that may be needed and customized to individual states specifications will be negotiated on a state to state basis.

**POTENTIAL COLLECTION REPORT** (New)

Assets found correlated to arrears on case. The intent of this report is to gage the potential collections, by case, by county and/or statewide.

The state must be able to query the contractor's database by individual social security number, county FIPS code and statewide to establish the potential collections available if a lien(s) was served. Additionally, this query must include a "minimum balance" field to enable the user to retrieve all hits that contain a balance above a certain threshold as used by each client state.

**UN-REGISTERED FINANCIAL INSTITUTIONS (MONTHLY) NEW**

A state's contract administrator must be able to monitor the communication and the status of FIs that are corresponding with the contractor, but have not yet executed an agreement with the state. This report requires listing all such FIs with the same information as in the "non-compliant" report.

**FI REIMBURSEMENT REPORT**

Some states have laws mandating that the state reimburse an FI for administrative costs associated with processing FIDM files. A report is required to assist such states in accomplishing the payment process.

**1.4 PROJECT PLAN MANAGEMENT**

- a. The Vendor will carry out this project under the direction and control of the DIT/DHS.
- b. Although there will be continuous liaison with the Vendor team, the project manager will speak monthly at minimum (conference call acceptable), with the Vendor's project manager for the purpose of reviewing progress and providing necessary guidance to the Vendor in solving problems which arise.
- c. The Vendor will submit brief written 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 client agency's Project Manager; and notification of any significant deviation from previously agreed-upon work plans. These reports should be sent via email to DHS and DIT Project Manager. A copy of this report will be forwarded to the named buyer in Acquisition Services.
- d. Within thirty (30) days of the award of the Contract, the Vendor will submit a work plan to DIT/DHS Project Manager for final approval. This implementation plan must be in agreement with Article 4 as proposed by the bidder and accepted by the State for Contract, and must include the following:
  - 1) The Vendor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
  - 2) The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.
  - 3) The time-phased plan showing each event, task and decision point in the work plan.
  - 4) The vendor's project organizational structure.

**1.5 RESERVED****1.6 Compensation and Payment**

See pricing section (Appendix A).



## 1.7 Additional Terms & Conditions

### SAFEGUARDING OF DATA

Federal Requirements Governing the Child Support Enforcement Program

PART D--CHILD SUPPORT AND ESTABLISHMENT OF PATERNITY

S 669A. Non-liability for financial institutions providing financial records to State child support enforcement agencies in child support cases

(a) In general

Notwithstanding any other provision of Federal or State law, a financial institution shall not be liable under any Federal or State law to any person for disclosing any financial record of an individual to a State child support enforcement agency attempting to establish, modify, or enforce a child support obligation of such individual, or for disclosing any such record to the Federal Parent Locator Service pursuant to > section 666(a)(17)(A) of this title.

(b) Prohibition of disclosure of financial record obtained by State child support enforcement agency

A State child support enforcement agency which obtains a financial record of an individual from a financial institution pursuant to subsection (a) of this section may disclose such financial record only for the purpose of, and to the extent necessary in, establishing, modifying, or enforcing a child support obligation of such individual.

(c) Civil damages for unauthorized disclosure

(1) Disclosure by State officer or employee

If any person knowingly, or by reason of negligence, discloses a financial record of an individual in violation of subsection (b) of this section, such individual may bring a civil action for damages against such person in a district court of the United States.

(2) No liability for good faith but erroneous interpretation

No liability shall arise under this subsection with respect to any disclosure, which results from a good faith, but erroneous, interpretation of subsection (b) of this section.

(3) Damages

*In any action brought under paragraph (1), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the sum of--*

(A) the greater of--

(i) \$1,000 for each act of unauthorized disclosure of a financial record with respect to which such defendant is found liable; or

(ii) the sum of--

(I) the actual damages sustained by the plaintiff as a result of such unauthorized disclosure; plus

(II) in the case of a willful disclosure or a disclosure which is the result of gross negligence, punitive damages; plus

(B) the costs (including attorney's fees) of the action.

(d) Definitions

For purposes of this section--

(1) Financial institution

The term "financial institution" means--

(A) a depository institution, as defined in > section 1813(c) of Title 12;

(B) an institution-affiliated party, as defined in > section 1813(u) of Title 12;

(C) any Federal credit union or State credit union, as defined in > section 1752 of Title 12, including an institution-affiliated party of such a credit union, as defined in > section 1786(r) of Title 12; and

(D) any benefit association, insurance company, safe deposit company, money-market mutual fund, or similar entity authorized to do business in the State.

(2) Financial record

The term "financial record" has the meaning given such term in > section 3401 of Title 12.

CREDIT(S)

(Aug. 14, 1935, c. 531, Title IV, S 469A, as added Aug. 22, > 1996, Pub.L. 104-193, Title III, S 353, 110 Stat. 2240, and amended July 16, > 1998, Pub.L. 105-200, Title IV, S 406(c), 112 Stat. 672.)

General Materials (GM) - References, Annotations, or Tables>

### HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports

1996 Acts. > House Report No. 104-651 and > House Conference Report No. 104- 725, see 1996 U.S. Code Cong. and Adm. News, p. 2183.



1998 Acts. > House Report No. 105-422, see 1998 U.S. Code Cong. and Adm. News, p. 290.

#### Amendments

1998 Amendments. Subsec. (a). > Pub.L. 105-200, S 406(c), inserted ", or for disclosing any such record to the Federal Parent Locator Service pursuant to section 466(a)(17)(A)" before the period.

#### Effective and Applicability Provisions

1996 Acts. For effective date of > Title III of Pub.L. 104-193, see > section 395(a) to (c) of Pub.L. 104-193, set out as a note under section 654 of this title.

Pursuant to Federal regulations governing the IV-D child support enforcement program, the State's IV-D agency shall be responsible and accountable for the operation of State IV-D program. See 45 CFR 302.12 (a) (2).

The regulation provides that, with certain exceptions, the agency need not perform all of the functions of the IV-D program so long as it insures that all these functions are being carried out properly, efficiently, and effectively.

Exceptions cited in 45 CFR 303.20.

If the IV-D agency delegates any of the functions of the IV-D program to any other State or local agency or official, or any official with whom a cooperative agreement has been entered into, or purchases services from any person or private agency, the IV-D agency shall have responsibility for securing compliance with the requirements of the State plan by such agency or officials. See 45 CFR 302.12 (a) (3) and also Section 454 of the Act, State plan requirements, 42 U.S.C. 654.

### **FINANCIAL INSTITUTION DATA MATCHING AND SAFEGUARDING OF DATA**

Pursuant to Federal law, each State must have in effect laws requiring the use of certain procedures. These laws and procedures require the IV-D agency to enter into agreements with financial institutions doing business in the State to develop and operate, in coordination with the financial institutions, and the FPLS in the case of financial institutions doing business in two or more States, a data match system. See Section 466 (a) (17) of the Act. See also the definition of "financial institution" in section 469A (d) (l) of the Act.

Federal law further requires that a State child support enforcement agency which obtains a financial record of an individual from a financial institution pursuant to the data match system described in section 466 (a) (17) of the Act may disclose such financial record only for the purpose of, and to the extent necessary in, establishing, modifying or enforcing a child support obligation of such individual. See section 469A (b) of the Act. See also the definition of "financial record" in section 469A (d) (2) of the Act. The civil damages described in section 469A (c) of the Act apply to any unauthorized disclosure.

### **AGREEMENT TO COMPLY, CONTRACTOR SPECIFIC SECURITY**

The contractor must commit to provide a secured physical and system environment for the data match project. Virtually all of our projects require a comprehensive security plan. The contractor must have extensive experience with security in regards to federal and state governments.

The contractor must handle sensitive information for child support operations and financial records and must abide by the requirements of Federal and State laws and regulations. Under this contract the Contractor must maintain rigorous corporate standards regarding the security of information. The contractor must adhere to a comprehensive security plan to ensure that all data is used for only professional and authorized purposes. For the operation of the financial institution data match system on behalf of the issuing IV-D agency, the contractor must agree to comply with the requirements of title IV-D of the Act pertaining to the safeguarding of data, including those provisions that specifically apply to the operation of the financial institution data match system.

### **OPERATIONS CENTER SECURITY**

Federal regulations impose stringent accountability and security requirements for the management of financial information. The contractor must ensure guidelines are met to safeguard financial account records, and match result records. The first level of security is the physical-processing center, which is accessible only by authorized personnel carrying correct access cards.

**NETWORK AND DATA PROCESSING SECURITY  
PHYSICAL DATA HANDLING**

The data received by the Contractor for the FIDM project must be only used for the match and results processing. This data must be highly secured and used for no other purpose than to build and maintain a database of IV-D case arrearage records (obligor database), receive and process financial account records against the obligor database, format the result records, and return the data to the requesting donor states.

Data must be archived to physical media at agreed-upon intervals and deleted from the database, and the archives will be returned to the donor states. Data must be disclosed only to personnel authorized to handle the data files and process the match and results records. Physical files received from financial institutions must be returned upon conclusion of the processing or used for the next quarter obligor extract and effectively overwritten by the new file. No data records should be kept that are not required by the processing center after the end of the quarter and after the states have accepted the results. Financial institution records must not be written to a database; they will be used as the basis for the match and stored only if a positive match is made that requires the account information to be returned to the state.

**ADDITIONAL SAFEGUARDING OF DATA**

Policies and procedures - The contractor must maintain an ongoing basis policies and procedures for managing the complete operation of the processing center. This includes all necessary security measures; access rights; and proper handling of the data files, from receipt to return.



## Article 2 – General Terms and Conditions

### 2.0 Introduction

#### 2.001 GENERAL PURPOSE

The Contract is for data matching services for the State of Michigan. Orders will be issued directly to the Contractor by various State Agencies on the Purchase Order Contract Release Form.

#### 2.002 ISSUING OFFICE AND CONTRACT ADMINISTRATOR

The Contract is issued by Acquisition Services, State of Michigan, Department of Management and Budget, hereinafter known as Acquisition Services, for the Department of Information Technology/Department of Human Services, hereinafter known as *DIT/DHS*. Where actions are a combination of those of Acquisition Services and the State agencies, the authority will be known as the State.

**Contractor proceeds at its own risk if it takes negotiation, changes, modification, alterations, amendments, clarification, etc., of the specifications, terms, or conditions of the contract from any individual or office other than Acquisition Services and the listed contract administrator**

All communications covering this procurement must be addressed to contract administrator indicated below:

Department of Management and Budget  
Acquisition Services  
*Attn: Melissa Castro*  
2nd Floor, Mason Building  
P.O. Box 30026  
Lansing, Michigan 48909  
*(517) 373-1080*  
*castrom@michigan.gov*

#### 2.003 NOTICE

Any notice given to a party under this Contract must be written and shall be deemed effective, if addressed to such party as addressed below upon (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this section; (iii) the third (3rd) 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.

#### 2.004 CONTRACT TERM

The term of this Contract will be for five (5) years and will commence with the issuance of a Contract. This will be *July 1, 2005* through *September 30, 2010*.

**Option.** The State does not reserve the right to exercise any options.

**Extension.** At the sole option of the State, the contract may also be extended. Contractor performance, quality of products, price, cost savings, and the contractor's ability to deliver on time are some of the criteria that will be used as a basis for any decision by Acquisition Services to exercise an option year.

Written notice will be provided to the Contractor within 30 days, provided that the State gives the Contractor a preliminary written notice of its intent to extend at least 60 days before the contract expires. The preliminary notice does not commit the Government to an extension. If the Government exercises this option, the extended contract shall be considered to include this option clause.

**2.005 GOVERNING LAW**

The Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. By signing this agreement, vendor consents to personal jurisdiction in the state of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

**2.006 APPLICABLE STATUTES**

The following statutes, rules, and laws are applicable to the performance of this contract; some statutes are reflected in the clauses of this contract. This list is NOT exhaustive.

MI Uniform Commercial Code (MIUCC) MCL 440. (All sections unless otherwise altered by agreement)  
MI OSHA MCL §§ 408.1001 – 408.1094  
Freedom of Information Act (FOIA) MCL §§ 15.231, et seq.  
Natural Resources and Environmental Protection Act MCL §§ 324.101, et seq.  
MI Consumer Protection Act MCL §§ 445.901 – 445.922  
Laws relating to wages, payments of wages, and fringe benefits on state projects MCL §§ 408.551 – 408.558, 408.471 – 408.490, 1965 PA 390.  
Department of Civil Service Rules and regulations  
Elliot Larsen Civil Rights Act MCL §§ 37.2201, et seq.  
Persons with disabilities Civil Rights Act MCL §§ 37.1101, et seq.  
MCL §§ 423.321, et seq.  
MCL § 18.1264 (law regarding debarment)  
Davis-Bacon Act (DBA) 40 USCU §§ 276(a), et seq.  
Contract Work Hours and Safety Standards Act (CWHSSA) 40 USCS § 327, et seq.  
Business Opportunity Act for Persons with Disabilities MCL §§ 450.791 – 450.795  
Rules and regulations of the Environmental Protection Agency  
Internal Revenue Code  
Rules and regulations of the Equal Employment Opportunity Commission (EEOC)  
The Civil Rights Act of 1964, USCS Chapter 42  
Title VII, 42 USCS §§ 2000e et seq.  
The Americans with Disabilities Act (ADA), 42 USCS §§ 12101 et seq.  
The Age Discrimination in Employment Act of 1967 (ADEA), 29 USCS §§ 621, 623 et seq.  
The Old Workers Benefit and Protection Act of 1990 (OWBPA), 29 USCS §§ 626, et seq.  
The Family Medical Leave Act of 1993 (FMLA), 29 USC §§ 651 et seq.  
The Fair Labor Standards Act (FLSA), 29 USC §§ 201 et seq.  
Pollution Prevention Act of 1990 (PPA) 42 U.S.C. §13106  
Sherman Act, 15 U.S.C.S. § 1 et seq.  
Robinson-Patman Act, 15 U.S.C.S. § 13 et. seq.  
Clayton Act, 15 U.S.C.S. § 14 et seq.

**2.007 RELATIONSHIP OF THE PARTIES**

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

**2.008 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 this Contract.

**2.009 MERGER**

This document constitutes the complete, final, and exclusive agreement between the parties. All other prior writings and negotiations are ineffective.

**2.010 SEVERABILITY**

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

**2.011 SURVIVORSHIP**

Any provisions of the Contract that impose continuing obligations on the parties including, but not limited to the Contractor's indemnity and other obligations shall survive the expiration or cancellation of the Contract for any reason.

**2.012 NO WAIVER OF DEFAULT**

The failure of a party to insist upon strict adherence to any term of the Contract shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term or any other term of the Contract.

**2.013 PURCHASE ORDERS**

Orders for delivery of commodities and/or services may be issued directly by the State Departments through the issuance of a Purchase Order Form referencing this Contract (Blanket Purchase Order) agreement and the terms and conditions contained herein. Contractor is asked to reference the Purchase Order Number on all invoices for payment.

**2.1 Vendor/Contractor Obligations****2.101 ACCOUNTING RECORDS**

The Contractor and all subcontractors shall maintain all pertinent financial and accounting records and evidence pertaining to the Contract in accordance with generally accepted principles of accounting and other procedures specified by the State of Michigan. Financial and accounting records shall be made available, upon request, to the State of Michigan, its designees, or the Michigan Auditor General at any time during the Contract period and any extension thereof, and for three years from expiration date and final payment on the Contract or extension thereof.

**2.102 NOTIFICATION OF OWNERSHIP**

The Contractor shall make the following notifications in writing:

- (a) When the Contractor becomes aware that a change in its ownership or officers has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify Acquisition Services within 30 days.
- (b) The Contractor shall also notify the Acquisition Services 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.

The Contractor shall:

- (a) Maintain current, accurate, and complete inventory records of assets and their costs;
- (b) Provide Acquisition Services or designated representative ready access to the records upon request;



- (c) Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership or officer changes; and
- (d) Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership or officer change.

### 2.103 SOFTWARE COMPLIANCE

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

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

### 2.104 IT STANDARDS

1. EXISTING TECHNOLOGY STANDARDS. The Contractor will adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://michigan.gov/dit>.
2. PM METHODOLOGY STANDARDS. The State has adopted a standard documented Project Management Methodology (PMM) for use on all Information Technology (IT) based projects. This policy is referenced in the document titled "Project Management Methodology" – DMB Administrative Guide Procedure 1380.02 issued June 2000. Vendors may obtain a copy of this procedure, as well as the State of Michigan Project Management Methodology, from the Department of Information Technology's website at <http://www.michigan.gov/projectmanagement>.

The contractor shall use the State's PPM to manage State of Michigan Information Technology (IT) based projects. The Requesting agency will provide the applicable documentation and internal agency processes for the methodology. If the vendor requires training on the methodology, those costs shall be the responsibility of the vendor, unless otherwise stated.

3. ADHERENCE TO PORTAL TECHNOLOGY TOOLS. The State of Michigan, Department of Information Technology, has adopted the following tools as its Portal Technology development efforts:
  - (a) Vignette Content Management and personalization Tool
  - (b) Inktomi Search Engine
  - (c) E-Pay Payment Processing Module
  - (d) Websphere Commerce Suite for e-Store applications

**Vendors must use the Portal Technology Tools to implement web content management and deployment efforts for agencies. Tools used for web-based application development must work in conjunction with Vignette and Inktomi. The interaction with Vignette and Inktomi must be coordinated with the Department of Information Technology, Enterprise Application Services Office, e-Michigan Web Development team.**



Under special circumstances vendors that are compelled to use alternate tools must submit an exception request to the Department of Information Technology, Enterprise Application Services Office, e-Michigan Web Development team, for evaluation and approval of each alternate tool prior to proposal evaluation by the State.

**2.105 RESERVED**

**2.106 RESERVED**

**2.107 PAYROLL AND BASIC RECORDS**

Payrolls and basic records relating to the performance of this contract shall be maintained by the Contractor during the course of the work and preserved for a period of 3 years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made, and actual wages paid. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

The Contractor shall submit a copy of all payrolls to the Contract Administrator upon request. The payrolls submitted shall set out accurately and completely all of the information required to be maintained as indicated above.

The Prime Contractor is responsible for the submission of copies of payrolls by all subcontractors upon request from the Contract Administrator

The Contractor or subcontractor shall permit the Contract Administrator or representatives of the Contract Administrator or the State of Michigan to interview employees during working hours on the job.

If the Contractor or subcontractor fails to submit required records or to make them available, the Contract Administrator may, after written notice to the Contractor, take such action as may be necessary to cause the suspension of any further payment. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment.

**2.108 COMPETITION IN SUB-CONTRACTING**

The Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the contract.

**2.109 CALL CENTER DISCLOSURE**

Vendor and/or all subcontractors involved in the performance of this contract providing call or contact center services to the State of Michigan must disclose the location of its call or contact center services to inbound callers. Failure to disclose this information shall be a material breach of this agreement.

**2.2 Contract Performance**

**2.201 RESERVED**

**2.202 CONTRACT PAYMENT SCHEDULE**

The specific payment schedule for any Contract(s) entered into, as the State and the Contractor(s) will mutually agree upon the result of this RFP. The schedule should show payment amount and should reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates.



As a general policy statements shall be forwarded to the designated representative by the 15th day of the following month.

#### **2.203 POSSIBLE PROGRESS PAYMENTS**

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

#### **2.204 RESERVED**

#### **2.205 ELECTRONIC PAYMENT AVAILABILITY**

Electronic transfer of funds is available to State contractors. Vendors are encouraged to register with the State of Michigan Office of Financial Management so the State can make payments related to this Contract electronically at [www.cpexpress.state.mi.us](http://www.cpexpress.state.mi.us).

#### **2.206 RESERVED**

### **2.3 Contract Rights and Obligations**

#### **2.301 INCURRING COSTS**

The State of Michigan is not liable for any cost incurred by the Contractor prior to signing of the Contract. The State fiscal year is October 1st through September 30th. The Contractor(s) should realize that payments in any given fiscal year are contingent upon enactment of legislative appropriations. Total liability of the State is limited to terms and conditions of the Contract.

#### **2.302 CONTRACTOR RESPONSIBILITIES**

The Contractor will be required to assume responsibility for all contractual activities, whether or not that Contractor performs them. Further, the State will consider 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.

#### **2.303 ASSIGNMENT AND DELEGATION**

The Contractor shall not have the right to assign this Contract, to assign its rights under this contract, 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 State. Any purported assignment in violation of this Section shall be null and void. Further, the Contractor may not assign the right to receive money due under the Contract without the prior written consent of the Director of Acquisition Services.

The Contractor shall not delegate any duties or obligations under the Contract to a subcontractor other than a subcontractor named and approved in the bid unless the Director of Acquisition Services has given written consent to the delegation.

**The Contractor must obtain the approval of the Director of Acquisition Services before using a place of performance that is different from the address that bidder provided in the bid.**



## 2.304 TAXES

Sales Tax: For purchases made directly by the State of Michigan, the State is exempt from State and Local Sales Tax. Prices shall not include such taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

Federal Excise Tax: The State of Michigan may be exempt for Federal Excise Tax, or such taxes may be reimbursable, if articles purchased under this Contract are used for the State's exclusive use. Certificates exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent to the Contractor upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices shall not include the Federal Excise Tax.

The State's Tax Exempt Certification is available for vendor viewing upon request to the Contract Administrator.

## 2.305 INDEMNIFICATION

### General Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents, from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:

1. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from (1) the product provided or (2) performance of the work, duties, responsibilities, actions or omissions of the Contractor or any of its subcontractors under this Contract.
2. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from a breach by the Contractor of any representation or warranty made by the Contractor in the Contract;
3. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or related to occurrences that the Contractor is required to insure against as provided for in this Contract;
4. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Contractor, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused solely by the negligence or reckless or intentional wrongful conduct of the State;
5. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents which results from an act or omission of the Contractor or any of its subcontractors in its or their capacity as an employer of a person.

### Patent/Copyright Infringement Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its employees and agents from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements 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 such 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 such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States. In addition, should the equipment, software, commodity, or service, or the operation thereof, become or in the Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such 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.

#### Code Indemnification

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

#### Indemnification Obligation Not Limited

In any and all claims against the State of Michigan, or any of its agents or employees, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract shall 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 benefits acts, or other employee benefits acts. This indemnification clause is intended to be comprehensive. Any overlap in sub clauses, 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 sub clause.

#### Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and affect notwithstanding the expiration or early termination of the Contract with respect to any claims based on facts or conditions, which occurred prior to termination.

#### Indemnification Procedures

The procedures set forth below shall apply to all indemnity obligations under this Contract.

- (a) After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Contractor of such 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 so notify Contractor shall relieve Contractor of its indemnification obligations except to the extent that Contractor can demonstrate damages attributable to such failure. Within ten (10) days following receipt of written notice from the State relating to any claim, Contractor shall 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 prior to the State receiving Contractor's Notice of Election, the State shall be entitled to defend against the claim, at Contractor's expense, and Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during such period.



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

#### Exclusion

Notwithstanding the foregoing, the Contractor shall have 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 or software developed based on written specifications of the State; or (ii) use of the equipment or software in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment or software by the State not authorized by the Contractor; or (iii) the combination, operation, or use of the equipment OR SOFTWARE with equipment or software not supplied by the Contractor under this Contract.

### **2.306 LIMITATION OF LIABILITY**

The Contractor's liability for damages to the State shall be limited to two times the value of the Contract or \$2,000,000.00 which ever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; to Contractor's indemnification obligations (2.305); or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The State's liability for damages to the Contractor shall be limited to the value of the Contract.

### **2.307 CONTRACT DISTRIBUTION**

Acquisition Services shall retain the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Acquisition Services.

**2.308 FORM, FUNCTION, AND UTILITY**

If the Contract is for use of more than one State agency and if the good or service provided under this Contract do not meet the form, function, and utility required by a State agency, that agency may, subject to State purchasing policies, procure the good or service from another source.

**2.309 ASSIGNMENT OF ANTITRUST CAUSE OF ACTION**

For and in consideration of the opportunity to submit a quotation and other good and valuable consideration, the bidder hereby assigns, sells and transfers to the State of Michigan all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or this State for price fixing, which causes of action have accrued prior to the date of payment and which relate solely to the particular goods, commodities, or services purchased or procured by this State pursuant to this transaction.

**2.310 RESERVED****2.311 TRANSITION ASSISTANCE**

If this Contract is not renewed at the end of this term, or is canceled prior to its expiration, for any reason, the Contractor must provide for up to 180 days after the expiration or cancellation of this Contract, all reasonable transition assistance requested by the State, to allow for the expired or canceled portion of the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this Contract, (notwithstanding this expiration or cancellation) except for those Contract terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the Contract for Contract performance.

**2.312 WORK PRODUCT**

Work Products shall be considered works made by the Contractor for hire by the State and shall belong exclusively to the State and its designees, unless specifically provided otherwise by mutual agreement of the Contractor and the State. If by operation of law any of the Work Product, including all related intellectual property rights, is not owned in its entirety by the State automatically upon creation thereof, the Contractor agrees to assign, and hereby assigns to the State and its designees the ownership of such Work Product, including all related intellectual property rights. The Contractor agrees to provide, at no additional charge, any assistance and to execute any action reasonably required for the State to perfect its intellectual property rights with respect to the aforementioned Work Product.

Notwithstanding any provision of this Contract to the contrary, any preexisting work or materials including, but not limited to, any routines, libraries, tools, methodologies, processes or technologies (collectively, the "Development Tools") created, adapted or used by the Contractor in its business generally, including any and all associated intellectual property rights, shall be and remain the sole property of the Contractor, and the State shall have no interest in or claim to such preexisting work, materials or Development Tools, except as necessary to exercise its rights in the Work Product. Such rights belonging to the State shall include, but not be limited to, the right to use, execute, reproduce, display, perform and distribute copies of and prepare derivative works based upon the Work Product, and the right to authorize others to do any of the foregoing, irrespective of the existence therein of preexisting work, materials and Development Tools, except as specifically limited herein.

The Contractor and its subcontractors shall be free to use and employ their general skills, knowledge and expertise, and to use, disclose, and employ any generalized ideas, concepts, knowledge, methods, techniques or skills gained or learned during the course of performing the services under this Contract, so long as the Contractor or its subcontractors acquire and apply such information without disclosure of any confidential or proprietary information of the State, and without any unauthorized use or disclosure of any Work Product resulting from this Contract.



## 2.313 PROPRIETARY RIGHTS

### A. Software Ownership

#### Software License

Contractor grants to the State a non-exclusive, royalty-free, site-wide, irrevocable, transferable license to use the Software and related documentation according to the terms and conditions of this Contract. For the purposes of this license, "site-wide" includes any State of Michigan office regardless of its physical location.

The State may modify the Software and may combine such with other programs or materials to form a derivative work. The State will own and hold all copyright, trademark, patent and other intellectual property rights in any derivative work, excluding any rights or interest in Software other than those granted in this Contract.

The State may copy each item of Software to multiple hard drives or networks.

The State will make and maintain no more than one archival copy of each item of Software, and each copy will contain all legends and notices and will be subject to the same conditions and restrictions as the original. The State may also make copies of the Software in the course of routine backups of hard drive(s) for the purpose of recovery of hard drive contents.

In the event that the Contractor shall, for any reason, cease to conduct business, or cease to support the Software, the State shall have the right to convert these licenses into perpetual licenses, with rights of quiet enjoyment, but subject to payment obligations not to exceed the then current rates.

## 2.4 Contract Review and Evaluation

### 2.401 CONTRACT COMPLIANCE INSPECTOR

Upon receipt at Acquisition Services of the properly executed Contract Agreement(s), the person named below will be allowed to oversee the Contract performance on a day-to-day basis during the term of the Contract. However, overseeing the Contract implies **no authority to negotiate, change, modify, clarify, amend, or otherwise alter the terms, conditions, and specifications of such Contract(s). That authority is retained by Acquisition Services.** The Contract Compliance Inspector for this project is:

Patty Bogard  
MDIT  
525 W. Allegan  
Lansing, Michigan 48909  
BogardP@michigan.gov

### 2.402 PERFORMANCE REVIEWS

Acquisition Services in conjunction with the DIT/DHS may review with the Contractor their performance under the Contract. Performance reviews shall be conducted quarterly, semi-annually or annually depending on Contractor's past performance with the State. Performance reviews shall include, but not limited to, quality of products/services being delivered and provided, timeliness of delivery, percentage of completion of orders, the amount of back orders, status of such orders, accuracy of billings, customer service, completion and submission of required paperwork, the number of substitutions and the reasons for substitutions, and other requirements of the Contract.

Upon a finding of poor performance, which has been documented by Acquisition Services, the Contractor shall be given an opportunity to respond and take corrective action. If corrective action is not taken in a reasonable amount of time as determined by Acquisition Services, the Contract may be canceled for default. Delivery by the Contractor of unsafe and/or adulterated or off-condition products to any State agency is considered a material breach of Contract subject to the cancellation provisions contained herein.

**2.403 AUDIT OF CONTRACT COMPLIANCE/ RECORDS AND INSPECTIONS**

- (a) **Inspection of Work Performed.** The State's authorized representatives shall at all reasonable times and with ten (10) days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and shall have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon ten (10) Days prior written notice and during business hours, the State's representatives shall be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that such access will not 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, so long as no security, labor relations policies and propriety information policies are violated.
- (b) **Examination of Records.** No more than once per year, Contractor agrees that the State, including its duly authorized representatives, until the expiration of seven (7) years following the creation of the material (collectively, the "Audit Period"), shall, upon twenty (20) days prior written notice, have access to and the right to examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the terms and conditions of the Contract and with applicable laws and rules, including the State's procurement rules, regulations and procedures, and actual performance of the Contract for the purpose of conducting an audit, examination, excerpt and/or transcription but the State shall not have access to any information deemed confidential to Contractor to the extent such access would require such 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.
- (c) **Retention of Records.** Contractor shall maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract in accordance with generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records shall be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records 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.
- (d) **Audit Resolution.** If necessary, the Contractor and the State shall meet to review each audit report promptly after issuance. The Contractor will respond to each audit report in writing within thirty (30) days from receipt of such report, unless a shorter response time is specified in such report. The Contractor and the State shall develop and agree upon an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in such audit report.
1. **Errors.** If the audit demonstrates any errors in the statements provided to the State, then the amount in error shall be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four (4) quarterly statements. If a balance remains after four (4) quarterly statements, then the remaining amount will be due as a payment or refund within forty-five (45) days of the last quarterly statement that the balance appeared on or termination of the contract, whichever is earlier.
  2. In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than ten (10%), then the Contractor shall pay all of the reasonable costs of the audit.



## 2.5 Quality and Warranties

### 2.501 PROHIBITED PRODUCTS

The State will not accept salvage, distressed, outdated or discontinued merchandise. Shipping of such merchandise to any State agency, as a result of an order placed against the Contract, shall be considered default by the Contractor of the terms and conditions of the Contract and may result in cancellation of the Contract by the State. The brand and product number offered for all items shall remain consistent for the term of the Contract, unless Acquisition Services has approved a change.

### 2.502 RESERVED

### 2.503 RESERVED

### 2.504 GENERAL WARRANTIES (goods)

*Warranty of Merchantability* – Goods provided by vendor under this agreement shall be merchantable. All goods provided under this contract shall be of good quality within the description given by the State, shall be fit for their ordinary purpose, shall be adequately contained and packaged within the description given by the State, shall conform to the agreed upon specifications, and shall conform to the affirmations of fact made by the vendor or on the container or label.

*Warranty of fitness for a particular purpose* – When vendor has reason to know or knows any particular purpose for which the goods are required, and the State is relying on the vendor's skill or judgment to select or furnish suitable goods, there is a warranty that the goods are fit for such purpose.

*Warranty of title* – Vendor shall, in providing goods to the State, convey good title in those goods, whose transfer is right and lawful. All goods provided by vendor shall be delivered free from any security interest, lien, or encumbrance of which the State, at the time of contracting, has no knowledge. Goods provided by vendor, under this agreement, shall be delivered free of any rightful claim of any third person by of infringement or the like.

### 2.505 CONTRACTOR WARRANTIES

The Contract will contain customary representations and warranties by the Contractor, including, without limitation, the following:

1. The Contractor will perform all services in accordance with high professional standards in the industry;
2. The Contractor will use adequate numbers of qualified individuals with suitable training, education, experience and skill to perform the services;
3. The Contractor will use its best efforts to use efficiently any resources or services necessary to provide the services that are separately chargeable to the State;
4. The Contractor will use its best efforts to perform the services in the most cost effective manner consistent with the required level of quality and performance;
5. The Contractor will perform the services in a manner that does not infringe the proprietary rights of any third party;
6. The Contractor will perform the services in a manner that complies with all applicable laws and regulations;
7. The Contractor has duly authorized the execution, delivery and performance of the Contract;
8. The Contractor is capable in all respects of fulfilling and shall fulfill all of its obligations under this contract.



9. The contract appendices, attachments, and exhibits identify all equipment and software services necessary for the deliverable(s) to perform and operate in compliance with the contract's requirements.
10. The Contractor is the lawful owner or licensee of any Deliverable licensed or sold to the state by Contractor or developed by Contractor under this contract, and Contractor has all of the rights necessary to convey to the state the ownership rights or license use, as applicable, of any and all Deliverables.
11. If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to such items as set forth in this Contract, Contractor shall assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
12. The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter this contract, on behalf of Contractor.
13. The Contractor is qualified and registered to transact business in all locations where required.
14. Neither the Contractor nor any Affiliates, nor any employee of either, has, shall have, or shall acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor shall notify the State within two (2) days of any such interest that may be incompatible with the interests of the State.
15. All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the ITB or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by such financial statements, reports, other information. Since the respective dates or periods covered by such financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor. All written information furnished to the State by or behalf of Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make such information not misleading.

## 2.506 RESERVED

## 2.507 SOFTWARE WARRANTIES

### (a) Performance Warranty

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

### (b) No Surreptitious Code Warranty

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



As used in this Contract, "Self-Help Code" means any back door, time bomb, drop dead device, or other software routine designed to disable a computer program automatically with the passage of time or under the positive control of a person other than the licensee of the software. Self-Help Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

As used in this Contract, "Unauthorized Code" means any virus, Trojan horse, spyware, worm or other Software routines or components designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data; or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code.

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

(c) Calendar Warranty

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

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

(d) Third-party Software Warranty

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

**2.508 RESERVED**

**2.509 PHYSICAL MEDIA WARRANTY**

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

**2.6 Breach of Contract****2.601 BREACH DEFINED**

Failure to comply with any material provision of this agreement, or making any false statement in this agreement will be considered a material breach of this agreement giving the state authority to invoke any and all remedies available to it under this agreement.

In addition to any remedies available in law and by the terms of this contract, if the Contractor breaches Sections 2.508, 2.509, or 2.510, such a breach may be considered as a default in the performance of a material obligation of this contract.

**2.602 NOTICE AND THE RIGHT TO CURE**

In the event of a curable breach by the Contractor, the State shall provide the Contractor written notice of the breach and a time period to cure said breach described in the notice, which shall be a minimum of (30) calendar days from Contractor's receipt of such notice. Time periods to cure said breach may exceed 30 calendar days at the sole discretion of the State. This section requiring notice and an opportunity to cure shall not be applicable in the event of successive or repeated breaches of the same nature 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.

**2.603 EXCUSABLE FAILURE**

1. Neither party shall be liable for any default or delay in the performance of its obligations under the Contract if and to the extent such default or delay is caused, directly or indirectly, by: fire, flood, earthquake, elements of nature or acts of God; riots, civil disorders, rebellions or revolutions in any country; the failure of the other party to perform its material responsibilities under the Contract (either itself or through another contractor); 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 such party; provided the non-performing party and its subcontractors are without fault in causing such default or delay, and such 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. In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its best efforts to recommence performance or observance whenever and to whatever extent possible without delay provided such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.
2. If any of the above enumerated circumstances substantially prevent, hinder, or delay performance of the services necessary for the performance of the State's functions for more than 14 consecutive 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 from an alternate source, and the State shall not be liable for payments for the unperformed services under the Contract for so long as the delay in performance shall continue; (b) the State may cancel any portions of the Contract so affected and the charges payable hereunder shall be equitably adjusted to reflect those services canceled; or (c) the Contract will be canceled without liability of the State to the Contractor as of the date specified by the State in a written notice of cancellation to the Contractor. 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 as a result of the excusable failure condition. Defaults or delays in performance by the Contractor which are caused by acts or omissions of its subcontractors will not relieve the Contractor of its obligations under the Contract except to the extent that a subcontractor is itself subject to any excusable failure condition described above and the 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.



## 2.7 Remedies

### 2.701 CANCELLATION

The State may cancel this Contract without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents, and employees for any of the following reasons:

1. Material Breach by the Contractor. In the event that the Contractor breaches any of its material duties or obligations under the Contract, which are either not capable of or subject to being cured, or are not cured within thirty (30) calendar days notice or such longer period as may be specified in the written notice of breach provided by the State, or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of cancellation to the Contractor, cancel this Contract in whole or in part, for cause, as of the date specified in the notice of cancellation.

In the event that this Contract is cancelled for cause, in addition to any legal remedies otherwise available to the State by law or equity, the Contractor shall be responsible for all costs incurred by the State in canceling the Contract, including but not limited to, State administrative costs, attorneys fees and court costs, and any additional costs the State may incur to procure the services required by this Contract from other sources. All excess re-procurement costs and damages shall not be considered by the parties to be consequential, indirect or incidental, and shall not be excluded by any other terms otherwise included in the Contract.

In the event the State chooses to partially cancel this Contract for cause charges payable under this Contract will be equitably adjusted to reflect those services that are cancelled.

In the event this Contract is cancelled for cause pursuant to this section, and it is therefore determined, for any reason, that the Contractor was not in breach of contract pursuant to the provisions of this section, that cancellation for cause shall be deemed to have been a cancellation for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in the Contract for a cancellation for convenience.

2. Cancellation For Convenience By the State. The State may cancel this Contract for its convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall be left to the sole discretion of the State and may include, but not 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 Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel the Contract for its convenience, in whole or in part, by giving the Contractor written notice 30 days prior to the date of cancellation. If the State chooses to cancel this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those services that are cancelled.
3. Non-Appropriation. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.
4. Criminal Conviction. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity.



5. Approvals Rescinded. The State may terminate this Contract without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, section 5, and Civil Service Rule 7. 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 such written notice.

## 2.702 RIGHTS UPON CANCELLATION

### A. Rights and Obligations Upon Termination

- (1) If this Contract is terminated by the State for any reason, Contractor shall (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) in the event that the Contractor maintains title in equipment and software that is intended to be transferred to the State at the termination of the Contract, Contractor will transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables and other Developed Materials intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which shall be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of such items included compensation to Contractor for the provision of warranty services in respect of such 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.
- (2) In the event the State terminates this Contract prior to its expiration for its own convenience, the State shall pay Contractor for all charges due for Services provided prior to the date of termination and, if applicable, as a separate item of payment pursuant to this Contract, for partially completed Deliverables, on a percentage of completion basis. All completed or partially completed Deliverables prepared by Contractor pursuant to this Contract shall, at the option of the State, become the State's property, and Contractor shall be entitled to receive equitable fair compensation for such Deliverables. Regardless of the basis for the termination, the State shall not be 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.
- (3.) If any such termination by the State is for cause, the State shall have the right to set-off against any amounts due Contractor the amount of any damages for which Contractor is liable to the State under this Contract or pursuant to law or equity.
- (4.) Upon a good faith termination, the State shall have the right to assume, at its option, any and all subcontracts and agreements for services and materials provided under this Contract, and may further pursue completion of the Services under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

### B. Termination Assistance

If the Contract (or any Statement of Work issued under it) is terminated for any reason before completion, Contractor agrees to provide for up to two-hundred seventy (270) calendar days after the termination all reasonable termination assistance requested by the State to facilitate the orderly transfer of such Services to the State or its designees in a manner designed to minimize interruption and adverse effect. Such termination assistance will be deemed by the parties to be governed by the terms and conditions of the Contract (notwithstanding its termination) other than any terms or conditions that do not reasonably apply to such termination assistance.



The State shall compensate Contractor for such termination assistance at the same rates and charges set forth in the Contract on a time and materials basis in accordance with the Labor Rates indicated within Contractors pricing section. If the Contract is terminated by Contractor under **Section 20**, then Contractor may condition its provision of termination assistance under this Section on reasonable assurances of payment by the State for such assistance, and any other amounts owed under the Contract.

**C. Reservation of Rights**

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

**D. End of Contract Transition**

In the event the Contract is terminated, for convenience or cause, or upon expiration, 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. In the event of termination or the expiration of the Contract, 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 shall include, but are not limited to, the following:

- (1) Personnel - The Contractor shall work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor shall 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, 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.
- (2) Knowledgeable Personnel. Contractor will make available to the State or a Third Party Provider knowledgeable personnel familiar with the operational processes and procedures used to deliver products and services to the State. The Contractor personnel will work with the State or third party to help develop a mutually agreeable transition plan, work to transition the process of ordering, shipping and invoicing equipment and services to the State.
- (3) Information - The Contractor agrees to provide reasonable detailed specifications for all Services needed by the State, or specified third party, to properly provide the services required under the Contract. The Contractor will also provide any licenses required to perform the Services under the Contract.
- (4) Software. - The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to perform the Services under the Contract. This shall 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 shall, upon expiration of the Contract, transfer back to the State at their current revision level.
- (5) Payment - If the transition results from a termination for any reason, reimbursement shall 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). The hourly rates or fixed price to be charged will be agreed upon prior to the work commencing.
- (6) Single Point of Contact. Contractor will maintain a Single Point of Contact (SPOC) for the State after termination of the Contract until all product and service obligations have expired.

**E. Transition out of this Contract**

- (1) In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the Contractor agrees to perform the following obligations, and any others upon which the State and the Contractor agree:
  - (i) Cooperating with any contractors, vendors, or other entities with whom the State contracts to meet its telecommunication needs, for at least two hundred and seventy (270) days after the termination of this Contract;
  - (ii) Reserved.
  - (iii) Providing the State with all asset management data generated from the inception of this Contract through the date on which this Contract is terminated, in a comma-delimited format unless otherwise required by the Program Office;
  - (iv) Reconciling all accounts between the State and the Contractor;
  - (v) Allowing the State to request the winding up of any pending or ongoing projects at the price to which the State and the Contractor agreed at the inception of the project;
  - (vi) Freezing all non-critical software changes;
  - (vii) Notifying all of the Contractor's subcontractors of procedures to be followed during the transition out phase;
  - (viii) Assisting with the communications network turnover, if applicable;
  - (ix) Assisting in the execution of a parallel operation until the effective date of termination of this Contract
  - (x) Answering questions regarding post-migration services;
  - (xi) Delivering to the State any remaining owed reports and documentation still in the Contractor's possession.
  
- (2) In the event that this 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:
  - (i) Reconciling all accounts between the State and the Contractor;
  - (ii) Completing any pending post-project reviews.

**2.703 RESERVED****2.704 STOP WORK**

- (a) The State may, at any time, by written stop work order to the Contractor, require that the Contractor stop all, or any part, of the work called for by this Contract for a period of up to 90 days after the stop work order is delivered to the Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this section. Upon receipt of the stop work order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of 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 shall either:
  - (1) Cancel the stop work order; or
  - (2) Cancel the work covered by the stop work order as provided in the cancellation section of this Contract.
  
- (b) If a stop work order issued under this section is canceled or the period of the stop work order or any extension thereof expires, the Contractor shall resume work. The State shall make an equitable adjustment in the delivery schedule, the contract price, or both, and the Contract shall be modified, in writing, accordingly, if:



- (1) The stop work order results in an increase in the time required for, or in the Contractor's costs properly allocable to the performance of any part of this Contract; and
  - (2) The Contractor asserts its right to an equitable adjustment within 30 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 proposal submitted at any time before final payment under this Contract.
- (c) If the stop work order is not canceled and the work covered by the stop work order is canceled for reasons other than material breach, the State shall allow reasonable costs resulting from the stop work order in arriving at the cancellation settlement.
- (d) If a stop work order is not canceled and the work covered by the stop work order is canceled for material breach, the State shall not allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop work order.

An appropriate equitable adjustment may be made in any related contract of the Contractor that provides for adjustment and is affected by any stop work order under this section. The State shall not be liable to the Contractor for loss of profits because of a stop work order issued under this section.

## **2.705 SUSPENSION OF WORK**

The Contract Administrator may order the Contractor, in writing, to suspend, delay, or interrupt all or any part of the work of this contract for the period of time that the Contract Administrator determines appropriate for the convenience of the Government.

If the performance of all or any part of the work is, for an unreasonable period of time, suspended, delayed, or interrupted (1) by an act of the Contract Administrator in the administration of this contract, or (2) by the Contract Administrator's failure to act within the time specified in this contract (or within a reasonable time if not specified), an adjustment shall be made for any increase in the cost of performance of this contract (excluding profit) necessarily caused by the unreasonable suspension, delay, or interruption, and the contract modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension, delay, or interruption to the extent that performance would have been so suspended, delayed, or interrupted by any other cause, including the fault or negligence of the Contractor, or for which an equitable adjustment is provided for or excluded under any other term or condition of this contract.

A claim under this clause shall not be allowed:

- (1) For any costs incurred more than 20 days before the Contractor shall have notified the Contract Administrator in writing of the act or failure to act involved (but this requirement shall not apply as to a claim resulting from a suspension order); and
- (2) Unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of the suspension, delay, or interruption, but not later than the date of final payment under the contract.

## **2.8 Changes, Modifications, and Amendments**

### **2.801 APPROVALS**

The Contract may not be modified, amended, extended, or augmented except by a writing executed by the parties hereto, and any breach or default by a party shall not be waived or released other than in writing signed by the other party.

### **2.802 TIME EXTENTIONS**

Time extensions for contract changes will depend upon the extent, if any, by which the changes cause delay in the completion of the various elements of performance as described in the statement of work. The change order granting the time extension may provide that the contract completion date will be extended only for those specific elements related to the changed work and that the remaining contract completion dates for all other portions of the work will not be altered. The change order also may provide an equitable readjustment of liquidated damages under the new completion schedule.



## 2.803 MODIFICATION

Acquisition Services reserves the right to modify this contract at any time during the contract term. Such modification may include changing the locations to be serviced, additional locations to be serviced, method or manner of performance of the work, number of days service is to be performed, addition or deletion of tasks to be performed, addition or deletion of items, and/or any other modifications deemed necessary. Any changes in pricing proposed by the Contractor resulting from the proposed changes are subject to acceptance by the State. Changes may be increases or decreases. **IN THE EVENT PRICES ARE NOT ACCEPTABLE TO THE STATE, THE CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING BASED UPON THE NEW SPECIFICATION.**

**The State reserves the right to add an item(s) that is not described on the item listing and is available from the Contract vendor.** The item(s) may be included on the Contract, only if prior written approval has been granted by Acquisition Services.

## 2.804 AUDIT AND RECORDS UPON MODIFICATION

DEFINITION: records includes books, documents, accounting procedures and practices, and other data, regardless of whether such items are in written form, electronic form, or in any other form

Contractor shall be required to submit cost or pricing data with the pricing of any modification of this contract to the Contract Administrator in Acquisition Services. Data may include accounting records, payroll records, employee time sheets, and other information the state deems necessary to perform a fair evaluation of the modification proposal. Contract Administrator or authorized representative of the state shall have the right to examine and audit all of the contractor's records, including computations and projections, related to:

- (a) The proposal for modification;
- (b) The discussions conducted on the proposal, including those related to negotiation;
- (c) Pricing of the modification; or
- (d) Performance of the modification.

Contractor shall make available at its office at all reasonable times the materials described in the paragraphs above.

If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement.

## 2.805 CHANGES

- (a) The Contract Administrator may, at any time, without notice to the sureties, if any, by written order designated or indicated to be a change order, make changes in the work within the general scope of the contract, including changes:
  - (1) In the specifications (including drawings and designs);
  - (2) In the method or manner of performance of the work;
  - (3) In the Government-furnished facilities, equipment, materials, services, or site; or
  - (4) Directing acceleration in the performance of the work.
- (a) Any other written or oral order (which, as used in this paragraph (b), includes direction, instruction, interpretation, or determination) from the Contract Administrator that causes a change shall be treated as a change order under this clause; Provided, that the Contractor gives the Contract Administrator written notice stating:
  - (1) The date, circumstances, and source of the order; and
  - (2) That the Contractor regards the order as a change order.
- (b) Except as provided in this clause, no order, statement, or conduct of the Contract Administrator shall be treated as a change under this clause or entitle the Contractor to an equitable adjustment.



- (c) The State agrees that Contractor may renegotiate this agreement if any state comprising the FIDM Alliance, as described in the FIDM Alliance RFP (i) opts out of the Alliance before signing a FIDM contract with Contractor, or (ii) terminates its FIDM contract with Contractor other than as a result of Contractor's material breach of the FIDM contract. Contractor agrees to exercise its authority under this provision in good faith and only as necessary to preserve the essence of the bargain Contractor's engagement with the FIDM Alliance as it existed when the FIDM Alliance contained all 15 original member states.

## 2.9 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 shall mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below) that is marked confidential, restricted, proprietary, or with a similar designation. "Confidential Information" of the State shall mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State pursuant to applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State pursuant to its performance under this Contract, is marked as confidential, proprietary or with a similar designation by the State. In the case of information of either Contractor or the State "Confidential Information" shall exclude any information (including this Contract) that is publicly available pursuant to the Michigan FOIA.

### Protection of Confidential Information

The State and Contractor will each use at least the same degree of care to prevent its closing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by this Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party will limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access thereto in order to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) such disclosure is necessary or otherwise naturally occurs in connection with work that is within such 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 such Confidential Information from unauthorized use or disclosure.

### News releases

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

### Exclusions

Notwithstanding the foregoing, the provisions of this Section will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality;



(iv) was received after disclosure to it from a third party who had a lawful right to disclose such information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of this Section will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose such 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 such disclosure as reasonably requested by the furnishing party.

#### No Implied Rights

Nothing contained in this Section shall 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.

#### Remedies

Each party acknowledges that, if it breaches (or attempts or threatens to breach) its obligations under this Section, the other party may be irreparably harmed. Accordingly, if a court of competent jurisdiction should find that a party has breached (or attempted or threatened to breach) any such obligations, the non-breaching party shall be entitled to seek an injunction preventing such breach (or attempted or threatened breach).

#### Survival

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

#### Destruction of Confidential Information

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

## **2.10 DISCLOSURE OF LITIGATION**

The Contractor shall notify the State in its bid proposal, if it, or any of its subcontractors, or their officers, directors, or key personnel under this Contract, have ever been convicted of a felony, or any crime involving moral turpitude, including, but not limited to fraud, misappropriation or deception. Contractor shall promptly notify the State of any criminal litigation, investigations or proceeding which may have arisen or may arise involving the Contractor or any of the Contractor's subcontractor, or any of the foregoing entities' then current officers or directors during the term of this Contract and three years thereafter.

The Contractor shall notify the State in its bid proposal, and promptly thereafter as otherwise applicable, of any civil litigation, arbitration, proceeding, or judgments that may have arisen against it or its subcontractors during the five years preceding its bid proposal, or which may occur during the term of this Contract or three years thereafter, which involve (1) products or services similar to those provided to the State under this Contract and which either involve a claim in excess of \$250,000 or which otherwise may affect the viability or financial stability of the Contractor, or (2) a claim or written allegation of fraud by the Contractor or any subcontractor hereunder, arising out of their business activities, or (3) a claim or written allegation that the Contractor or any subcontractor hereunder violated any federal, state or local statute, regulation or ordinance. Multiple lawsuits and or judgments against the Contractor or subcontractor, in any amount less than \$250,000 shall be disclosed to the State to the extent they affect the financial solvency and integrity of the Contractor or subcontractor.

All notices under subsection 1 and 2 herein shall be provided in writing to the State within fifteen business days after the Contractor learns about any such criminal or civil investigations and within fifteen days after the commencement of any proceeding, litigation, or arbitration, as otherwise applicable.



Details of settlements, which are prevented from disclosure by the terms of the settlement, shall be annotated as such. Semi-annually, during the term of the Contract, and thereafter for three years, Contractor shall certify that it is in compliance with this Section. Contractor may rely on similar good faith certifications of its subcontractors, which certifications shall be available for inspection at the option of the State.

Assurances - In the event that such investigation, litigation, arbitration or other proceedings disclosed to the State pursuant to this Section, or of which the State otherwise becomes aware, during the term of this Contract, causes the State to be reasonably concerned about:

1. The ability of the Contractor or its subcontractor to continue to perform this Contract in accordance with its terms and conditions, or
2. Whether the Contractor or its subcontractor in performing services is engaged in conduct which is similar in nature to conduct alleged in such investigation, litigation, arbitration or other proceedings, which conduct would constitute a breach of this Contract or violation of Michigan or Federal law, regulation or public policy, then

The Contractor shall be required to provide the State all reasonable assurances requested by the State to demonstrate that: (a) the Contractor or its subcontractors hereunder will be able to continue to perform this Contract in accordance with its terms and conditions, (b) the Contractor or its subcontractors will not engage in conduct in performing services under this Contract which is similar in nature to the conduct alleged in any such litigation, arbitration or other proceedings.

\*\*\* The Contractor's failure to fully and timely comply with the terms of this section, including providing reasonable assurances satisfactory to the State, may constitute a material breach of this Contract.

## 2.11 LIABILITY INSURANCE

### A. Insurance

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether such 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 pursuant to this Contract.

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

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

The insurers selected by Contractor shall have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if such ratings are no longer available, with a comparable rating from a recognized insurance rating agency. Companies that have been approved to do business in the State shall issue all policies of insurance required in this Contract.

See [www.michigan.gov/cis](http://www.michigan.gov/cis)

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



Before both parties sign the Contract or before the purchase order is issued by the State, the Contractor must furnish to the Director of Acquisition Services, certificate(s) of insurance verifying insurance coverage ("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) shall contain a provision indicating that coverage afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for ten (10) days for non-payment of premium, having been given to the Director of Acquisition Services, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected and be mailed to: Director, Acquisition Services, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909. Failure to provide evidence of coverage, may, at the State's sole option, result in this Contract's termination.

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
\$500,000	Fire Damage Limit (any one fire)

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

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

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

3. Workers' compensation coverage must be provided in accordance with applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If a self-insurer provides the applicable coverage, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

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

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

4. Employers liability insurance with the following minimum limits:

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



5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of one million dollars (\$1,000,000.00) with a maximum deductible of fifty thousand dollars (\$50,000.00).
6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$10,000,000.00), which shall apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.
7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars (\$3,000,000.00) each occurrence and three million dollars (\$3,000,000.00) annual aggregate.
8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of such office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to the replacement value thereof, where such office space and its contents are under the care, custody and control of Contractor. Such policy shall 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 shall be endorsed on the policy as a loss payee as its interests appear.

**B. Subcontractors**

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

**C. Certificates of Insurance and Other Requirements**

Contractor shall furnish to the Office of Acquisition Services certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor shall provide evidence that the State and its agents, officers and employees are listed as additional insureds, but only to the extent of liabilities assumed by Contractor as set forth in Indemnification Section of this Contract, 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.

Contractor shall maintain all required insurance coverage throughout the term of the Contract and any extensions thereto and, in the case of claims-made Commercial General Liability policies, shall secure tail coverage for at least three (3) years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and shall not be construed, to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor shall be responsible for all deductibles with regard to such insurance. If Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, at the State's election (but without any obligation to do so) after the State has given Contractor at least thirty (30) days written notice, the State may pay such premium or procure similar insurance coverage from another company or companies; and at the State's election, the State may deduct the entire cost (or part thereof) from any payment due Contractor, or Contractor shall pay the entire cost (or any part thereof) upon demand by the State.

APPENDIX A, MICHIGAN PRICE PROPOSAL

STATE OF MICHIGAN  
 COST PROPOSAL  
 FOR CHILD SUPPORT – FIDM ALLIANCE RFP  
 (See separate cost proposal for each Alliance State)

Data for bidder use in completing cost proposal:

- 1. Total number of licensed in-state financial institutions (FIs): 590
- 2. Total number of in-state FIs contracted with the state for FIDM: 548
  - a. Number of banks: 162
  - b. Number of credit unions: 375
  - c. Number of other financial institutions: 11
- 3. Current number of FIs using Method 1: 140  
 Current number of FIs using Method 2: 382
- 4. Number of delinquent obligor records for match: 243,613  
 (Inquiry File)
- 5. Number of FIs utilizing electronic file transmission: 527
- 6. Number of FIs utilizing paper file: 21

Pricing Table – (Estimates on the pricing table below reflect projected quantities for upcoming contract term.)

TASK	FREQUENCY	DEFINITION OF UNIT	FORMULA	PRICE
<b>TASK 1 Outreach to FIs</b> (optional task)				
a.) Solicitation through Signature (occurrence is defined as execution)	Per occurrence	1 FI agreement signed	Estimated number of FI's who never received an Initial FIDM letter. Cost quoted \$ _15.00__FI X 0 = Unit	\$0.00
b) Solicitation through Signature For newly established FIs (excluding mergers)	Per occurrence	Per FI agreement signed	\$ _6.44__agreement X 25 =	\$161.00__

APPENDIX A, MICHIGAN PRICE PROPOSAL

<p>c) Face to Face Meeting with FI or groups of FIs/ associations</p> <p>Meetings will be set <u>only</u> at state direction and with pre-approval. Contractor will be compensated for professional time upon arrival at client state (per day basis) of an IT specialist and/or a FIDM program staff person.</p> <p>(travel expenses are reimbursed separately at state rates only - reimbursement by the state "at cost" no mark-up)</p>	<p>Per occurrence</p>	<p>1 staff- person per daily meeting  (professional time at meeting location only)</p>	<p>IT Staff person \$ _360.00_day X 1 =</p> <p>FIDM Staff person \$ 200.00_day X 1 =</p> <p>Reimbursement for travel expenses for state budget purpose only.</p>	<p>\$ _360.00</p> <p>\$ _200.00</p> <p>\$1,200.00</p>
<p>d) Produced materials and reproduction (only with pre-approval from the state)</p>	<p>Per Invoice</p>	<p>NA – at cost</p>	<p>The contractor shall bill the state for all design, production and reproduction at actual cost. No "mark up". (for state budget purposes only)</p>	<p>\$5,000.00</p>
<p><b>TASK 2. Services to Financial Institutions and client state</b></p>				
<p>a.) Call center hotline to FIs and client state. An allowance of 300 incoming calls will be included in the quarterly fee.</p>	<p>Quarterly</p>	<p>1 quarter</p>	<p>\$_1,100.00_ X 20 = Call Center quarterly fee includes 300 (Quarterly) incoming calls.</p>	<p>\$22,000.00</p>
<p>b.) Every call thereafter please quote cost per call.</p>	<p>Quarterly billing</p>	<p>1 incoming call</p>	<p>\$.65___ Price per call X 0 X 20 (quarters)=</p>	<p>\$0.00</p>
<p><b>TASK 3. Data Matching Services</b></p>				
<p>a.) matching Method 1</p>	<p>Quarterly</p>	<p>1 FI matched</p>	<p>\$_25.40__ per FI X 140 Method 1 FI's X 20 quarters =</p>	<p>\$71,120.00</p>
<p>b.) matching Method 2</p>	<p>Quarterly</p>	<p>1 FI matched</p>	<p>\$_27.30__ per FI X 420 Method 2 FI's X 20 quarters =</p>	<p>\$229,320.00</p>

APPENDIX A, MICHIGAN PRICE PROPOSAL

c.) Paper file data entry	Quarterly	1 hour of data entry	\$_30.00_ per hourly rate X 40 hrs. X 20 quarters =	\$24,000.00
d.) Secure Internet FT Web site/FTP	One time	NA – one time	Set up with State and FI's testing	\$0.00_
e.) State to State matching (Voluntary by State) matching within the Alliance – per occurrence to facilitate file exchange between states.	As requested	1 state-to-state request by 1 state	\$_100.00_ per State to State Match Exchange X 100 =	\$_10,000.00
f) State to State matching – (Voluntary by State) matching outside the Alliance – per occurrence to facilitate file exchange between states.	As requested	1 state-to-state request by 1 state	\$_250.00_ per State to State Match Exchange X 50 =	\$_12,500.00
g.) Production Reports via Website views/queries (See appendix B for minimum)	Quarterly	1 quarterly fee	\$_0.00_ Quarterly X 20 quarters =	\$_0.00_
<b>TASK 4. Compliance Assurance</b>				
a) Compliance assurance	Quarterly	1 quarterly fee	\$_500.00_ quarterly X 20 quarters =	\$10,000.00
<b>b) Face to Face Meetings with FI for compliance issues/resolution.</b>				
Meetings will be set <u>only</u> at state direction and with pre-approval. Contractor will be compensated for professional time upon arrival at client state (per day basis) of an IT specialist and/or a FIDM program staff person.  (travel expenses are reimbursed separately at state rates only - reimbursement by the state “at cost” no mark-up)	Per occurrence	1 staff- person per daily meeting  (professional time at meeting location only)	IT Staff person \$ _360.00_day X 1 =  FIDM Staff person \$_200.00_day X 1 =  Reimbursement for travel expenses for state budget purpose only.	\$_360.00_  \$ _200.00_  \$ 1,200.00
<b>TASK 5. Information sharing via client state and FIDM website</b>				
a.) web site development	One time	NA – one time	Developmental costs for web site “lump sum”	\$_0.00
b.) web site maintenance	Yearly	1 year fee	\$_1,225.33_ yearly fee X 5 years =	\$_6,126.65

APPENDIX A, MICHIGAN PRICE PROPOSAL

<b>TASK 6. Project Management, Invoicing and Transition</b>				
a.) maintenance of account	Quarterly	1 quarterly fee	\$_900.00_ X 20 quarters =	\$18,000.00
b.) Meeting with client state or county staff  Meetings will be set <u>only</u> at state direction and with pre-approval. Contractor will be compensated for professional time upon arrival at client state (per day basis) of an IT specialist and/or a FIDM program staff person.  (travel expenses are reimbursed separately at state rates only - reimbursement by the state "at cost" no mark-up)	Per occurrence	1 staff- person per daily meeting  (professional time at meeting location only)	IT Staff person \$ _360.00_ day X 10 =  FIDM Staff person \$ _200.00_ day X 10 =  (Reimbursement for travel for state budget purpose only)	\$_3,600.00  \$ _2,000.00  \$ 15,000.00
c) Reimbursing qualified FIs pursuant to state statute/policy.	_NA_	1 FI reimbursed	\$_5.00_ X _0_ FIs X _____ (frequency)=	\$0.00
d) Funding for FI reimbursement	Entire contract term	NA	Reimbursement for FIs (for state budget only purpose only).	\$ 0.00
<b>TASK 7. Central Enforcement/Customer Service</b>	(Optional by state)			
<b>Option A-</b>  Unit price to include all of contractor's overhead costs and expenses (excluding postage – postage will be reimbursed)		1 lien notice printed and transmitted	Cost per lien notice: \$_1.71_/ sent X 4,800 liens per quarter X 20 quarters =  (total estimated cost 5 year)	\$164,160.00
<b>Option B-</b>	(See page below)	See below	(Bidders, PLEASE USE "Special Bid Sheet" below.)	-----

APPENDIX A, MICHIGAN PRICE PROPOSAL

<b>TASK 8. Maintain Agreements with Financial Institutions</b>				
a.) Database development and database maintenance (development to be included in quarterly fee)	Quarterly	1 Quarterly fee	\$348.00__ quarterly X 20 Quarters =	\$6,960.00
b.) One-time distribution of new contracts to all current FIs to establish perpetual FIDM agreements between Alliance states and their FIs.	One time	1 per FI	\$__0.00__ /per FI agreement X 0 =	\$0.00

**ALLIANCE PRICING PAGE DISCLAIMER**

All quantities entered in the “Formula” column of each Alliance Member States’ Cost Proposal form are estimates. The Alliance jointly and its individual Member States severally can not and does not guarantee that bidders will be given any particular volume or quantity associated with any of the services to be provided under this ITB.

APPENDIX A, MICHIGAN PRICE PROPOSAL

Price proposal outline FIDM Alliance RFP – TASK 7 Option B – Special Bid Sheet

Task 7B - Central Enforcement/Customer Service Unit

Task 7 is an optional task by state. Each Alliance member state who chooses to operate a central enforcement FIDM unit may choose to set up the unit differently. The scope of work will also vary by state since each state law and local structure may vary.

Therefore, the contractor shall be compensated for this task on a “time and material” basis. This will enable the client state to have the flexibility to broaden or narrow the unit’s workload as dictated by the centralized approach.

Logistical costs  
“Set up” for FIDM enforcement unit  
**Office and out of pocket direct expenses**

The client state shall reimburse the contractor for all-logistical support and arrangements not provided by state. The contractor must obtain competitive costs for all logistical expenditures such as office space, office supplies and equipment rental. The state shall either provide the office space and support (billed to the state directly) or reimburse the contractor for these expenses ‘at cost’, no mark up.

For procurement purposes only, please estimate the following:

- I) One time “set up” costs including office space preparation, telecommunication automation tool, and other logistical expenses.  
    \$ to be negotiated/one time
- II) Monthly support and (out of pocket) expenses including but not limited to monthly rent, equipment rental, telecom costs and office supply \$ to be negotiated/month

**Staffing costs**

Please quote a gross hourly rate per staffing table below. This rate shall represent the contractor’s “billing rate” to the state, which includes gross pay to employees, employer share of all taxes and contractor mark-up.

a) FIDM Enforcement specialist	\$ 24.00 / hour X 10,000 annual hours X 5 years =	\$ 1,200,000.00
b) IV-D Enforcement /Central Enforcement Unit and Customer Service Mgr,	\$ 37.00 / hour X 2,500 annual hours X 5 years =	\$ 462,500.00
c) IV-D Enforcement Customer Service Representative	\$ 24.00 / hour X 2,500 annual hours X 5 years =	\$ 300,000.00
d) FIDM Enforcement and Customer Services Lead Worker	\$ 28.00 / hour X 2,500 annual hours X 5 years =	\$ 350,000.00
e) FIDM Enforcement – Financial Institution Liaison	\$ 35.00 / hour X 0 annual hours X 5 years =	\$ 0.00
f) IV-D Enforcement-General Office Support Staff	\$ 14.00 / hour X 5,000 annual hours X 5 years =	\$ 350,000.00
g) FIDM Enforcement – Interstate Liaison	\$ 35.00 / hour X 0 annual hours X 5 years =	\$ 0.00

Sub-total staffing costs for Task 7B: \$ 2,662,500.00 \_\_\_\_\_

Special bid sheet: Grand Total for Task 7 Option B \$ 2,662,500.00 \_\_\_\_\_

**Appendix B - Reports  
Table of Contents**

<b>FIDM Management Reports Definitions .....</b>	<b>1</b>
Monthly Case Match Analysis .....	2
Daily Case Match Analysis.....	2
Partial Match Account Analysis.....	3
Full Match Account Analysis .....	4
Non- Compliant Financial Institutions.....	5
File Compliance Schedule.....	6
Levies With Obligors Removed From Master .....	7
Account Balances Greater than Arrears .....	8
Contested Levy Analysis .....	9
Levies 50 Days Outstanding Not Contested .....	10
Non-Direct Levy Analysis .....	11
Accounts in Appeal.....	12
Appendix – Report Formats .....	1
<b>Monthly Case Match Analysis.....</b>	<b>1</b>
<b>Daily Case Match Analysis.....</b>	<b>2</b>
<b>Partial Matched Account Analysis .....</b>	<b>4</b>
<b>Full Match Account Analysis .....</b>	<b>6</b>
<b>Non-Compliant Financial Institutions .....</b>	<b>8</b>
<b>File Compliance Schedule.....</b>	<b>9</b>
<b>Levies With Obligors Removed From Master .....</b>	<b>10</b>
<b>Account Balances Greater that Arrears.....</b>	<b>11</b>
<b>Contested Levy Analysis.....</b>	<b>13</b>
<b>Levies 50 Days Outstanding Not Contested .....</b>	<b>14</b>
<b>Non-Direct Levy Analysis.....</b>	<b>15</b>
<b>Accounts in Appeal.....</b>	<b>16</b>

## APPENDIX B - REPORTS

### **FIDM Management Reports Definitions**

The information in this packet is designed to provide an overview of the FIDM reports that are currently in use. The reports listed here are not the definitive list, they are provided as samples for use in the selection and design of reports that may be appropriate for individual states.

After scheduled processing, FIDM reports will be made available on the state's web site for easy access to download as needed. The reports will be access by entering a date and making a selection from a list of reports that are available. It is the responsibility of each state participating in FIDM to select which reports should be included on their state specific site.

The reports that are currently available for FIDM are listed below.

#### General Management Reports

- Monthly Case Match Analysis\*
- Daily Case Match Analysis\*
- Partial Match Account Analysis
- Full Match Account Analysis
- Non-Compliant Financial Institutions
- File Compliance Schedule

#### Lien Levy Management Reports

- Levies With Obligors Removed from Master
- Account Balances Greater than Arrears
- Contested Levy Analysis
- Levies 50 Days Outstanding Not Contested
- Non-Direct Levy Analysis
- Accounts in Appeal

\* These reports have some fields added for states that have selected the lien/levy sub system.

### Monthly Case Match Analysis

The Monthly Case Match Analysis report provides an overview of match results. This report provides a list of the financial institutions, the match type they have selected and the total number of accounts that have matched with the state obligor files.

Field	Description
Financial Institution	The name of the FI in which account information has matched with obligor information.
Match Type	The match type the FI has selected for FIDM participation. 1 = All accounts, 2= Obligor accounts only and 3 = OCSE (multi-state)records
Accounts Processed	The number of financial accounts that were identified in this match run.
Cases Matched	The total number of cases in which state obligor information matched account information in which either a primary or secondary SSN and the first four characters of the name as listed by the FI.
Accounts Levied	The total number of accounts that met the full match criteria. For states that have selected the automatic levy process.
Reported Balances	The total account balance of the FI files that were matched with obligor files. These figures are accurate for those FI's that report balances.
Number of Contests	The number of contests filed as a result of the automatic match and lien levy process.
Contested Funds	The amount of funds represented by those cases that have filed a contest.
Number of Payments	A count of the liens for which funds have been received.
Funds Received	The total amount of funds received as a result of the automatic lien levy match.
Obligor Arrears	The total amount of obligor arrearage represented for the matched accounts.
Monthly Totals	Each column totaled represents the month selected at the time the report is printed.
Year to Date Totals	Represent the total figures for the calendar year.

Report format page A-1.

### Daily Case Match Analysis

The Daily Case Match Analysis report is organized exactly like the Monthly Case Match report except the totals are accumulated and provided daily. Please see the field descriptions under Monthly Case Match report above.

Report format page A-2.

### Partial Match Account Analysis

The Partial Matched Account Analysis Report is generated daily and primarily designed to provide the states with information on those cases in which the FIDM system did not have a full match. This exception report can be utilized to provide a closer look at cases that appear to be a match by the system but may require a closer look. (If the lien levy sub-system is opted for, there is a complete web based application to manages these matches)

A full match for the system process is the obligor's full social security number, the first four letters of an obligor's last name and the obligor's date of birth if provided by the financial institution.

A partial match occurs with the obligor's full social security number but partial on the name or date of birth. Any obligor data that was matched with the financial institution account information and did not meet the full match criteria will be generated to this report.

This report is sorted and broken down alphabetically by obligor last name.

Field	Description
State Obligor File Info	Represents the information on the state obligor file.
Last Name	The last name of the obligor on record as reported.
First Name	The first name of the obligor on record as reported.
SSN	The social security number of the obligor on record as reported.
Date of Birth	The date of birth of the obligor on record as reported.
CS #	The state child support system case number assigned to the obligor.
Financial Institution	
Payee Name	The name of the primary or secondary payee as recorded on the FI account that has matched with this obligor. This is a 40 byte field that may have first and last name and may have just the last name.
Date of Birth	The date of birth of the payee on the account. (Only reported if the FI stores that information in their database)
Bank Name	The financial institution that has the actual match for the obligor listed.
Account Number	The account number recorded by the FI in which the obligor SSN and name have matched against.
Number of Partially matched accounts by first character of last name	This field represents the total per alphabetical character. The report is sorted this way for ease in assignment to follow up.

Report format page A-3.

### Full Match Account Analysis

The Full Match Account Analysis Report which is generated daily, is designed to provide the state management with details of all the fully matched accounts that were processed that day. It is a breakdown of the information summarized in the Daily Case Match Analysis report. This report provides detailed information by obligor.

Field	Description
State Obligor File Info	Represents the information on the state obligor file.
County	The code number of the county in which the obligor lives.
Last Name	The last name of the obligor on record as reported.
First Name	The first name of the obligor on record as reported.
SSN	The social security number of the obligor on record as reported.
Date of Birth	The date of birth of the obligor on record as reported.
P-F	Partial to Full, this entry was initially a partial match but has been changed to a full match by an entry into the web site FIDM system by a caseworker. Used for states with the lien levy sub-system.
CS #	The state child support system case number assigned to the obligor.
<b>Financial Institution</b>	
Payee Name	The name of the primary or secondary payee as recorded on the FI account that has matched with this obligor.
Date of Birth	The date of birth of the payee on the account. (Only reported if the FI stores that information in their database)
Bank Name	The financial institution that has the actual match for the obligor listed.
Account Number	The account number recorded by the FI in which the obligor SSN and name have matched against.

Report format page A-4.

## Non- Compliant Financial Institutions

The Non-Compliant Financial Institutions Report is processed daily. The state uses this report to determine the compliance to the data match agreement for all of the financial institutions entered into the database. The FI will be added to this report when the 45-day compliance period is exceeded.

Each non-compliant FI will be contacted to notify them that the match file is overdue. If no response is received, a report will be provided a report to the state for follow-up.

In order for FIDM to maintain the most recent and accurate financial information, it is critical that the financial institutions provide updated account information as scheduled.

Note: This report can also be used to assist the data processing units to determine if there may be file submission problems from an FI.

Field	Description
Financial Institutions	The name of the bank or credit union required to submit a data interface to the FIDM system quarterly.
Contact	The contact name of the individual specified as the primary contact for the financial institution.
Contact Phone	The contact phone number of the individual specified as the primary contact for the financial institution.
Contact e-mail	The contact e-mail of the individual specified as the primary contact for the financial institution.
Date of Non-compliance	The date in which the financial institution was scheduled to have sent the data match file.
Grand Total	The total number of financial institutions that were non-compliant in this month.

Report format page A-5.

## File Compliance Schedule

The Compliance Schedule Report is designed to provide the states with information about the date in which the financial institutions have agreed to provide account file information and the date in which it was actually received. This report is generated and made available monthly.

The banks may have signed an agreement with the state to provide the account data to the states within a specific time period (once every quarter). In return for the data, the many states have agreed to pay the financial institutions a specific amount per submission or per match.

In order for the CONTRACTOR FIDM system to maintain the most recent and accurate financial information it is critical that the financial institutions provide updated account information as scheduled.

Field	Description
Financial Institutions	The name of the bank or credit union required to submit a data interface to the FIDM system quarterly.
Scheduled Receive Date	The date that the financial institution has agreed to supply the account file to the state.
Actual Received Date	The date that the received the account data file from the financial institution.
Total Number of Compliant Institutions	The total number of FI's that have provided account data files to THE CONTRACTOR for this month.

Report mock up page A-6.

### **Levies With Obligor Removed From Master**

The Levies With Obligor Removed From Master report provided weekly is designed to provide states with information about accounts in which an obligor record no longer exists in the CONTRACTOR FIDM database. This report is used to identify accounts that are not currently being processed through the automatic levy sub-system yet may have been removed from the state's obligor extract file, possibly because a payment was received. THE CONTRACTOR does not delete these obligors until all of the processing accounts have been concluded or cancelled by the state.

For FIDM, the actual definition of an obligor record may vary from state to state. The obligors as defined for a specific state, are provided on an extract file to THE CONTRACTOR and loaded into the system to match with financial institution data.

THE CONTRACTOR then receives the obligor data from each state every week, month or quarter and account information is received from the financial institutions each quarter. Because of the timeframes, there is a possibility that information that matches in one week could be different the following week when the new obligor file is loaded into the CONTRACTOR FIDM system.

In the system, a match is identified as an appropriate levy and (if the state has selected the automatic lien levy process) the Notice of Levy is sent automatically. If the obligor that was levied in one week and no longer meets the criteria that identify an obligor the following week, it is important that the levy be reviewed immediately.

To help identify these occurrences, this report will be provided to the states to address and resolve these mismatches.

<b>Field</b>	<b>Description</b>
Last Name	The last name of the obligor on record as received by THE CONTRACTOR from the state's obligor file.
First Name	The first name of the obligor on record as received by THE CONTRACTOR from the state's obligor file.
SSN	The social security number of the obligor on record as received by THE CONTRACTOR from the state's obligor file.
Case #	The case number of the obligor on record as received by THE CONTRACTOR from the state's obligor file.
Financial Institution	The name of the financial institution on record as received by THE CONTRACTOR from the actual FI.
Account #	The bank account number for an obligor in which a match was made by THE CONTRACTOR. The account number is partially blocked out to ensure account confidentiality.
Levy Date	The date in which the notice for the levy was sent to the Financial institution. Applies to the automatic lien levy process states only.

### Account Balances Greater than Arrears

The Account Balances Greater than Arrears Report is generated daily and designed to provide the state with information about multiple accounts at different institutions that have been levied and the combined total amount of those levies exceeds the arrearage amount the obligor owes.

When a single account is matched within the CONTRACTOR FIDM system, the levy amount should not be greater than the arrearage amount on record from the state obligor file. However, when multiple accounts are levied for an obligor, it is possible that the combination of amounts levied exceed the total arrearage due.

In order to avoid applying levies that exceed the arrearage due, this report will be generated for review by the state. The lien levy sub-system allows these balances to be adjusted after the review and additional notices can then be sent to the obligor and FI.

For each obligor listed on this report, there should be more than one account listed.

Field	Description
Obligor Name	The last name, first name of the obligor on record as received by THE CONTRACTOR from the state obligor file.
Obligor SSN	The social security number of the obligor on record as received by THE CONTRACTOR from the state's obligor file.
Case #	The case number of the obligor on record as received by THE CONTRACTOR from the state's obligor file.
Arrears Balance	The total arrearage balance for this obligor due, as of the time the state obligor file was run to send to THE CONTRACTOR.
<b>Accounts</b>	
Financial Institution	The name of the financial institution on record as received by THE CONTRACTOR for the quarterly data match from the FI.
Account Type	The type of account on record as received by THE CONTRACTOR on the data match. (i.e., checking, savings)
Account #	The account number for the account that was matched for the obligor listed above.
Account Balance	The balance of the account on record for this obligor as received by THE CONTRACTOR from the FI file match. (If the account displays as \$0.00 this indicates that the financial institution does not provide balance information.
Date of Levy	The date in which the CONTRACTOR FIDM system identified a match between this obligor and this account and the Notice of Levy was generated to the financial institution. This is provided only for states that have selected the automatic lien levy sub-system.
Total Account Balances per Organizations	This field provides a total figure of all account balances for a specific financial institution.
Total Account Balance	This field provides a total figure of all of the matched account balances. Compare this figure to the arrearage Balance field to determine if there may be a problem with an automatic lien levy.

### Contested Levy Analysis

The Contested Levy Analysis Report, generated weekly, is designed to provide the states with information on the number of unresolved contests that have been filed by obligors. For states that have selected the automatic lien levy sub-system, this information is also available to the FIDM worker within the web system on a daily basis by obligor SSN.

This report enables a statistical review of the number of contests filed in a specific state and provides the FIDM unit manager with information about how many contests have not been resolved. This report will assist in identifying unresolved contests per worker and enable time tracking of those contests.

The report is divided up by worker number and sorted by the date the contest is started with the oldest date provided at the top of each page.

Field	Description
Worker #	The number of the caseworker that entered the contest into the CONTRACTOR FIDM system (through the web site).
Contest Start Date	The date in which the contest was entered into the system and a Notice of Contest filed was generated to the obligor and the FI.
Case #	The case number of the obligor on record as received by THE CONTRACTOR from the state obligor file.
Last Name	The last name of the obligor on record as received by THE CONTRACTOR from the state obligor file.
First Name	The first name of the obligor on record as received by THE CONTRACTOR from the state obligor file.
SSN	The social security number of the obligor on record as received by THE CONTRACTOR from the state obligor file.

### **Levies 50 Days Outstanding Not Contested**

The Levies 50 Days Outstanding Not Contested Report is generated as required. This report is designed to provide state's management teams with an overview of the total number of THE CONTRACTOR FIDM system matches that have resulted in a lien/ levy, in which there has been no contest filed or payment received within the designated timeframes.

This report provides a quick look at the total amount of dollars that are levied as a result of the data match system. The data is produced as a result of the automatic lien levy sub-system available for FIDM.

<b>Field</b>	<b>Description</b>
Financial Institution	The name of the financial institution in which the lien has taken place.
Account #	The number of the FI account in which the CONTRACTOR FIDM system identified a match between the obligor records and a primary account holder and name.
Date of Levy	The date in which a match was detected and a notice was generated to the FI. This is not the actual levy date, the FI will begin the levy after receipt of this notice.
Amount of Levy	The total current dollar amount levied based on the matches conducted by the CONTRACTOR FIDM system between the known obligor records and the FI account data files submitted. This represents the total current number of matched funds for this week.
SSN	The social security number of the obligor on record as received by THE CONTRACTOR from the state obligor file.
CS#	The case number of the obligor on record as received by THE CONTRACTOR from the state's obligor file match.
Total for FI	The subtotal of the dollar amounts levied broken down by FI.
Total Levies	The total dollar amount of the levies on record that have not been contested.

Report format page A-10.

### Non-Direct Levy Analysis

The Non-Direct Levy Analysis reports is generated daily and lists the obligors that were identified through the tape match with the OCSE and would ordinarily be a candidate for the lien levy process. However, the account that was matched for the obligor is from a financial institution located in a state in which out of state liens are not accepted.

Note: This report is only applicable when the state decides to enable THE CONTRACTOR to process the multi-state OCSE file and provide a consolidated in-state and multi-state view of FIDM.

Field	Description
State Obligor File Info	Represents the information on the state obligor file.
Last Name	The last name of the obligor on record as reported to THE CONTRACTOR.
First Name	The first name of the obligor on record as reported to THE CONTRACTOR.
SSN	The social security number of the obligor on record as reported to THE CONTRACTOR.
Date of Birth	The date of birth of the obligor on record as reported to THE CONTRACTOR.
CS #	The state child support system case number assigned to the obligor.
Financial Institution	
Payee Name	The name of the primary or secondary payee as recorded on the FI account that has matched with this obligor.
Levy State	The state in which the financial institution that has a account that matches an obligor is located.
Bank Name	The financial institution that has the actual match for the obligor listed.
Match Date	The date in which the match occurred between the OCSE FI records and the state obligor file.
Number of Non direct Accounts by Alpha	The total number of matched account that could not be levied due to the out of state lien laws.

Report

format

page

A-11.

### Accounts in Appeal

The Accounts in Appeal report provides a list of the accounts that are currently in the appeal process. These accounts were contested by the obligor and were resolved in the state's favor. The obligor has then filed the right to appeal the resolution with the court of appeals.

These appeals can add another 45 days (may vary by state) into the processing length while the appeal is being heard and resolved.

Field	Description
Worker #	The number of the caseworker who entered the contest into the FIDM web site.
Case #	The case number of the obligor on record as received by THE CONTRACTOR from the state's obligor file.
Last Name	The last name of the obligor on record as received by THE CONTRACTOR from the state's obligor file.
First Name	The first name of the obligor on record as received by THE CONTRACTOR from the state's obligor file.
SSN	The social security number of the obligor on record as received by THE CONTRACTOR from the state's obligor file.
Appeal Start Date	The date in which the obligor actually filed the appeal form with the state, as entered into the state's web site.
Levy Date	The date in which the notice for the levy was sent to the Financial institution. Applies to the automatic lien levy process states only.
Total number of Appeals	The total number of accounts on record in the system that have filed an appeal.

Report

format

page

A-12.

**Appendix – Report Formats**

Monthly Case Match Analysis

The Contractor's – Financial Institutions Data Match : *STATE NAME*

*DATE*

**Monthly Case Match Analysis      November**

Financial Institution	Match Type	Accounts Processed	Cases Matched	Accounts Levied	Reported Balances	Number of Contests	Contested Funds	Number of Payments	Funds Received	Obligor Arrears
Bank of America	02	53	16	8	\$ 1,765.00					\$170,235.00
Bank One	02	18	3		\$23,333.00	1				\$ 5,496.00
Whatever Bank	03	42	30	7	\$ 1,305.00					\$ 2,349.00
National Bank	03	13	10		\$ 2,500.00					\$ 1,587.00
City Bank	01	2500	300		\$ 1,900.00					\$ 298.00
<b>Monthly Totals:</b>		<b>135</b>	<b>61</b>	<b>15</b>	<b>\$30,803.00</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$179,965.00</b>

**Year to Date Totals:**

APPENDIX D – MICHIGAN SURVEY

Daily Case Match Analysis

The Contractor – Financial Institutions Data Match : *STATE*  
*NAME*

*DATE*

**Daily Case Match Analysis      *November***

Financial Institution	Match Type	Accounts Processed	Cases Matched	Accounts Levied	Reported Balances	Number of Contests	Contested Funds	Number of Payments	Funds Received	Obligor Arrears
Bank of America	02	53	16	8	\$ 1,765.00					\$170,235.00
Bank One	02	18	3		\$23,333.00	1				\$ 5,496.00
Whatever Bank	03	42	30	7	\$ 1,305.00					\$ 2,349.00
National Bank	03	13	10		\$ 2,500.00					\$ 1,587.00
City Bank	01	9	2		\$ 1,900.00					\$ 298.00

**Daily Totals:**

<b>Month to Date Totals:</b>		<b>135</b>	<b>61</b>	<b>15</b>	<b>\$30,803.00</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$179,965.00</b>
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**Week to Date Totals:**

APPENDIX D – MICHIGAN SURVEY

APPENDIX D – MICHIGAN SURVEY

Partial Matched Account Analysis

The Contractor – Financial Institutions Data Match : *STATE NAME*

*DATE*

**Partial Matched Account Analysis**

STATE OBLIGOR FILE INFORMATION					FINANCIAL INSTITUTION			
Last Name	First Name	SSN	<i>D</i> <i>ate of Birth</i>	CS#	Payee Name	Date of Birth	Bank Name	Account Number
Samuel	James	100-00-0000	11-12-1946	CS00012345	James Samaul	11-12-1946	Bank of America	OJP9XXX
Smith	John	100-00-0001	10-21-1957	CS00012346	Smeth	10-21-1957	Bank One	6104XXXX
Snader	Ralph	100-00-0002	09-01-1941	CS00012347	Snater	09-01-1941	Whatever Bank	7582XXXX
Thompson	Tommy	100-00-0003	02-03-0185	CS00012348	Tompson	02-03-0185	National Bank	2165XXXX
Tilmer	Timmy	100-00-0004	11-15-1975	CS00012349	Telmer	11-15-1975	City Bank	2265XXXX

**Number of Partially matched accounts by first character of last name: 5**

APPENDIX D – MICHIGAN SURVEY

APPENDIX D – MICHIGAN SURVEY

Full Match Account Analysis

The Contractor - Financial Institutions Data Match : *STATE NAME*

*DATE*

**Full Match Account Analysis**

STATE OBLIGOR FILE INFORMATION					FINANCIAL INSTITUTION					
Count	Last Name	First Name	SSN	Date of Birth	P-F	CS#	Payee Name	Birth Date	Bank Name	Account Number
25	Samuel	James	100-00-0000	11-12-1946		CS00012345	James Samuel	11-12-1946	Bank of America	OJP9XXX
75	Smith	John	100-00-0001	10-21-1957		CS00012346	Smith	10-21-1957	Bank One	6104XXXX
75	Snader	Ralph	100-00-0002	09-01-1941		CS00012347	Snader	09-01-1941	Whatever Bank	7582XXXX
13	Thompson	Tommy	100-00-0003	02-03-0185		CS00012348	Thompson	02-03-0185	National Bank	2165XXXX
13	Tilmer	Timmy	100-00-0004	11-15-1975		CS00012349	Tilmer	11-15-1975	City Bank	2265XXXX

**Number of fully matched accounts by county code:**  
**5**

APPENDIX D – MICHIGAN SURVEY

APPENDIX D – MICHIGAN SURVEY

Non-Compliant Financial Institutions

The Contractor - Financial Institutions Data Match : *STATE NAME*

*DATE*

**Non-Compliant Financial Institutions**

<b>Financial Institution</b>	<b>Contact</b>	<b>Contact Phone</b>	<b>Contact E-Mail</b>	<b>Date of Non-Compliance</b>
Bank of America	Ms Eileen Crean	(856) 686-1350	eCrean@bofa.com	11-12-1946
Bank One	Ms Bertha Kerney	(856) 682-1235	bkerney@bancone.com	10-21-1957
Whatever Bank	Robert Bunk	(856) 686-1234	rfunk@whatever.com	09-01-1941
National Bank	Linda Ferrara	(856) 682-5487	lferrara@nationalbank.com	02-03-0185
City Bank	Georgia	(856) 686-5986	georgia@citybank.com	11-15-1975
<b>Grand Total :</b>	<b>5</b>			

APPENDIX D – MICHIGAN SURVEY

File Compliance Schedule

The Contractor - Financial Institutions Data Match : *STATE NAME* *DATE*

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**File Compliance Schedule**

<b>Financial Institution</b>	<b>Schedule Received Date</b>	<b>Actual Received Date</b>
Bank of America	11-12-2001	11-15-2001
Bank One	10-21-2001	10-21-2001
Whatever Bank	09-01-2001	09-01-2001
National Bank	02-03-2001	02-03-2001
City Bank	11-15-2001	11-15-2001

**Total Number of Compliant  
Institutions:**

APPENDIX D – MICHIGAN SURVEY

Levies With Obligors Removed From Master

The Contractor - Financial Institutions Data Match : *STATE*  
*NAME*

*DATE*

**Levies With Obligors Removed from Master**

<b>Last Name</b>	<b>First Name</b>	<b>SSN</b>	<b>Case #</b>	<b>Financial Institution</b>	<b>Account #</b>	<b>Levy Date</b>
Thompson	Tommy	100-00-0003	CS00012348	National Bank	2165XXXX	02-03-2001
Snader	Ralph	100-00-0002	CS00012347	Whatever Bank	7582XXXX	09-01-2001
Samuel	James	100-00-0000	CS00012345	Bank of America	OJP9XXX	11-15-2001
Tilmer	Timmy	100-00-0004	CS00012349	City Bank	2265XXXX	11-15-2001
Smith	John	100-00-0001	CS00012346	Bank One	6104XXXX	12-21-2001

**Number of Levies**                      **5**

Account Balances Greater than Arrears

The Contractor - Financial Institutions Data Match : *STATE*  
*NAME*

*DATE*

## Account Balances Greater than Arrears

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<b>Obligor Name:</b> Jackson, Ralph N	<b>Obligor SSN:</b> 100-00-0025	<b>Case #</b> CS01256354	<b>Arrears Balance:</b> 2,570.00
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**Accounts**

<b>Financial Institution:</b>	BANK WHATEVER
<b>Account Type:</b>	Savings Account
<b>Account #:</b>	00000012555654X XXX
<b>Account Balance:</b>	3482.00
<b>Date of Levy:</b>	12-10-2001

**Total Account Balances per Organization:**  
3,482.00

<b>Financial Institution:</b>	BANK OF AMERICA
<b>Account Type:</b>	Checking Account
<b>Account #:</b>	00000012456954X XXX
<b>Account Balance:</b>	475.00
<b>Date of Levy:</b>	12-10-2001

**Total Account Balances per Organization:** 475.00

APPENDIX D – MICHIGAN SURVEY

**Total Account Balance:** 3,957.00

APPENDIX D – MICHIGAN SURVEY

Contested Levy Analysis

The Contractor – Financial Institutions Data Match : *STATE*  
*NAME*

*DATE*

**Contested Levy Analysis**

<b>Worker #</b>	<b>Contest Start Date</b>	<b>Case #</b>	<b>Last Name</b>	<b>First Name</b>	<b>SSN</b>
MISMITH	11-02-2000	CS00012348	Thompson	Tommy	100-00-0003
	11-06-2000	CS00012347	Snader	Ralph	100-00-0002
	11-09-2000	CS00012345	Samuel	James	100-00-0000
<b>Total Number of Contested Levied for Worker #</b>		MISMITH:	3		

APPENDIX D – MICHIGAN SURVEY

Levies 50 Days Outstanding Not Contested

The Contractor - Financial Institutions Data Match : *STATE*  
*NAME*

*DATE*

**Levies 50 Days Outstanding Not Contested**

<b>Financial Institution</b>	<b>Account #</b>	<b>Date of Levy</b>	<b>Amount of Levy</b>	<b>SSN</b>	<b>CS#</b>
National Bank of America	2135461323	11-02-2000	1300.00	100-00-0003	CS00012348
	5135464684	11-06-2000	525.00	100-00-0002	CS00012347
	1658464313	11-09-2000	1100.00	100-00-0000	CS00012345
	44646546546	11-09-2000	960.00	100-00-0005	CS00012367
	452665258	11-10-2001	2356.00	100-00-0006	CS00012389
	<b>Total for FI:</b>	<b>5</b>	<b>555.00</b>		
<b>Total Levies:</b>		<b>5</b>	<b>6796.00</b>		

APPENDIX D – MICHIGAN SURVEY

Non-Direct Levy Analysis

The Contractor - Financial Institutions Data Match : *STATE NAME*

*DATE*

**Non-Direct Levy Analysis**

STATE OBLIGOR FILE INFORMATION				FINANCIAL INSTITUTION				
Last Name	First Name	SSN	Date of Birth	CS#	Payee Name	Levy State	Bank Name	Match Date
Samuel	James	100-00-0000	11-12-1946	CS00012345	James Samuel	VA	Bank of America	11-12-2000
Smith	John	100-00-0001	10-21-1957	CS00012346	Smith John	FL	Bank One	10-21-2000
Snader	Ralph	100-00-0002	09-01-1941	CS00012347	Snader Ralph	OH	Whatever Bank	09-01-2000
Somerset	Tommy	100-00-0003	02-03-0185	CS00012348	Somerset Tommy	FL	National Bank	02-03-2001
Summers	Timmy	100-00-0004	11-15-1975	CS00012349	Summers Timmy	FL	City Bank	12-15-2001

**Number of Non-Direct Accounts by Alpha** **5**

APPENDIX D – MICHIGAN SURVEY

Accounts in Appeal

The Contractor - Financial Institutions Data Match : *STATE*  
*NAME*

*DATE*

**Accounts in Appeal**

<b>Worker #</b>	<b>Case #</b>	<b>Last Name</b>	<b>First Name</b>	<b>SSN</b>	<b>Appeal Start Date</b>
MISMITH	CS00012348	Samuel	James	100-00-0003	11-01-2000
	CS00012347	Smith	John	100-00-0002	11-05-2000
	CS00012345	Snader	Ralph	100-00-0000	11-07-2000
	CS00012367	Somerset	Tommy	100-00-0005	11-08-2000
	CS00012389	Summers	Timmy	100-00-0006	11-10-2000
<b>Total Number of Appeals</b>	<b>5</b>				

## APPENDIX D – MICHIGAN SURVEY

### APPENDIX C, ALLIANCE SPECIFICATIONS FOR CALL CENTER

2.3.1 The Contractor shall have live operators respond to inquiries from callers according to the following requirements.

2.3.1.1 The Contractor shall operate the call center and answer calls on all Business Days from 8:00 a.m. to 5:00 p.m. local time for each Alliance state. The Alliance will provide the Contractor with a holiday calendar.

2.3.1.2 Access to the operator-assisted call center must be provided at no cost to the caller.

2.3.1.3 .(deleted)

2.3.2 (deleted)

2.3.2.1 The contractor must assure that a daily average call wait time, including wait time for abandoned calls, for callers in the Contractor queue waiting to speak with call center staff does not exceed one minute (60 seconds).

2.3.2.2 The longest call wait time for any caller in the Contractor queue (including abandoned calls) is not to exceed three minutes (180 seconds).

2.3.2.3 A monthly answer rate of at least 95% of the total calls received must be achieved.

2.3.2.4 A monthly abandon rate not to exceed 5% of the total calls received must be achieved.

2.3.3 The Contractor shall not transfer to voice mail or automatically disconnect any call in the call center queue. The Contractor must answer any calls remaining in the queue at close of business.

2.3.4 In order to ensure quality customer service is achieved throughout each and every call, the Contractor shall not employ a business practice intended to limit talk time.

2.3.5 The Contractor shall maintain an adequate staffing level to include the flexibility to adjust staffing levels to accommodate changes in the average volume of calls. This volume will be based on quarterly operational projections provided by the Alliance states.

The Contractor's call center shall answer and return calls in accordance with Alliance states' procedures.

## APPENDIX D – MICHIGAN SURVEY

The Contractor shall maintain and provide to the state Contract Manager upon request call center volume and statistical reports. These include: a customer service representative statistical report identifying the number of calls received, the average talk time, number of calls abandoned, average wait time, and the number of calls completed; and a "Pilot Answered Call Profile" report or substantially similar report.

2.3.6 The Contractor's call center shall include standard PBX features and, at a minimum, the following features and functionalities:

2.3.6.1 Full Automatic Call Distribution (ACD) functionality, including:

2.3.6.2 Menu options for the caller.

2.3.6.3 Ability to send calls to the longest idle agent.

2.3.6.4 Ability for agent sign-on/sign-off.

2.3.6.5 Skill based routing..

2.3.6.6 Generate scheduled and on-demand reports to include timeframe intervals of: 15 minutes, 30 minutes, Hourly, Daily, Weekly, Monthly and Summary formats.

2.3.7 The Contractor shall retain and retrieve the historical traffic data for the duration of the Contract and make the data accessible to the Alliance states' as deemed necessary.

## APPENDIX D, MICHIGAN SURVEY

### State Of Michigan, office of Child Support

#### State Survey questions for RFP Alliance participants.

The following information and material will be needed for bidding vendors who choose to respond to the FIDM Alliance Request for Proposal (RFP)

Q1) Please provide:

a) State law(s) authorizing FIDM matching and lien/levy. **Attached.**

b) Number of obligors on FIDM inquiry file (please indicate criteria for inclusion)

**Approximately 243,613 obligors. Current criteria for obligor inclusion: arrears equals to or greater than 12 months worth of support.**

c) How many FIs have been identified in your state? **590.**

How many have been contracted to date? (Please identify method 1 versus 2).  
**548 are contracted. There are 153 Method 1 and 395 Method 2 FI's.**

d) Please include standard terms and conditions that would be incorporated into your FIDM contract. Also advise us, if your State negotiates these terms or are they entirely non-negotiable.

**Attached**

Page 2  
Michigan Survey  
2-27-05

2) Please indicate current contract term with Tier Technology and any extension provision(s).

**Expiration 6-30-05. Expected extensions till 9-30-05**

3) How many files are matched each quarter (must Tier split the file and match?). What we are after in this item is how many file exchanges does Tier actually handle on your behalf. Take into consideration that most 3<sup>rd</sup> party processors may include several FIs on a single (divided) file. It would be helpful for bidding firms to know the average “file size” being exchanged/matched.

*During 2004: 289 files were exchanged 4<sup>th</sup> quarter. On average, there was an average of 80,498 matches per quarter.*

Does your state have any customized requirements whereby the vendor must filter or scrutinize the hit data for special criteria?

(IE delete trust accounts before submission to the state etc.) *No. Michigan data warehouse staff sorts all hits with internal policy in place*

4) How many non-compliant FIs does your state currently have? *Twelve*

Please break down to Level 1 (no agreement), and level 2) never matched or delinquent on matching. *NA*

5) Does your Office pay FI fees? If so, how much and what is the current process for payment? (IE is Tier paying on your behalf or simply providing the state an invoice for a direct payment?) *No*

6) Is the FIDM process mandatory on FIs within your state? Yes

Page 3  
Michigan Survey  
2-27-05

7) Is your lien and levy process central or de-central by county / IV-D office? Central

How many IV-D offices exist within your state? There are 62 local IV-D offices and One central office for FIDM work.

If your state is working within a de-central environment? Please explain the distribution of hit information to the enforcement user/staff at the county level.

Michigan's Central unit works in concert with the local county offices for FIDM enforcement.

The local county offices review hits within a 7 day window and after that the account is processed at Central Enforcement Unit (CEU).

8) Is your lien unit staffed by state employees or contractor staff (or a mixture please

explain)

*Contractor staff till 1-31-05 when State classified employees were hired for the Central Unit.*

9) Is the lien unit automated to issue lien notices or must a vendor issue notices for your state/county staff?

*Michigan is partially automated, each lien is reviewed manually before issuance.*

Page 4  
Michigan Survey  
2-27-05

10) Who is responding to calls once a lien has been placed (state staff, county staff, vendor or a mix)?

*The State specialist who reviews the lien manually will speak to the obligor once a lien is in place.*

11) Does your vendor process your MSFIDM file - if not how is it submitted to OCSE?

*No a separate state unit handles the MSFIDM file.*

12) Do you expect the vendor to outreach to FIs who have yet to sign up for in-state FIDM? *Yes*

13) Will your state consider awarding optional lien and levy tasks listed in this RFP?  
*Not at this time*

14) Will your state continue to need a help-desk service for your FIs? *Yes*

a) For matching activity? *Yes, for technical issues such as error accounts identified*

b) For lien and levy processing No. *Our CEU has a designated liaison staff person who communicates with all FIs.*

15) Please list items included in state statute(s), which impact the matching process. (IE Michigan excludes all IRA and trusts; others may exclude joint accounts or paying obligor accounts etc)

Michigan does not lien IRA's or Trust accounts at this time.

Page 5  
Michigan Survey  
2-27-05

16) Will your central IV-D office collaborate on “state to state” matching with other states? If so, please explain at what level? (Directly at the FIDM unit or central registry?)

**Yes, Michigan will exchange files with all states that are ready. This includes incidental hits from method 1 matching and complete state to state file exchange.**

APPENDIX D – MICHIGAN SURVEY