

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET **October 21, 2010**
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
 OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 7
TO
CONTRACT NO. 071B6200098
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE (617) 426-2026
Public Consulting Group Inc. P.O. Box 845308 Boston, MA 02284-5308		William S. Mosakowski
jwolf@pcgus.com wmosakowski@pcgus.com		BUYER/CA (517) 241-3768
Lance Kingsbury		
Contract Compliance Inspector: Lance Kingsbury		
Statewide Revenue Maximization		
CONTRACT PERIOD:	From: November 15, 2005	To: September 30, 2011
TERMS	SHIPMENT	
N/A	N/A	
F.O.B.	SHIPPED FROM	
N/A	N/A	
MINIMUM DELIVERY REQUIREMENTS		
N/A		

NATURE OF CHANGE(S):

Effective immediately, this contract is hereby **EXTENDED** through September 30, 2011 and **INCREASED** by \$75,000.00. Please note that the buyer and contract compliance inspector have both been changed to Lance Kingsbury. All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per request of the Department of Human Services and DTMB/Purchasing Operations' approval and the approval of the State Ad Board on 10/19/10.

INCREASE: \$75,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE:: \$29,425,000.00

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

May 17, 2010

**CHANGE NOTICE NO. 6
 OF
 CONTRACT NO. 071B6200098
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR		TELEPHONE (617) 426-2026
Public Consulting Group Inc. P.O. Box 845308 Boston, MA 02284-5308		William S. Mosakowski
jwolf@pcgus.com wmosakowski@pcgus.com		BUYER/CA (517) 241-4225
Contract Compliance Inspector: Kevin Dunn (517) 241-4225 DunnK3@michigan.gov		Kevin Dunn
Statewide Revenue Maximization		
CONTRACT PERIOD:	From: November 15, 2005	To: October 31, 2010
TERMS	N/A	SHIPMENT
F.O.B.	N/A	SHIPPED FROM
MINIMUM DELIVERY REQUIREMENTS	N/A	N/A

NATURE OF CHANGE(S):

Effective immediately, Section II-E (Method of Compensation) of this Contract is hereby changed to:

“In each work request, Agency will select or propose a method of compensation that it believes to be in the agency’s best interests and contingency contract; compensation paid is directly linked to, and paid from, the attainment of increased revenue, cost recovery or quantifiable cost avoidance.”

AUTHORITY/REASON:

Per request of the Department of Human Services and DTMB/Purchasing Operations’ approval.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$29,350,000.00

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

August 25, 2009

**CHANGE NOTICE NO. 5
 OF
 CONTRACT NO. 071B6200098
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Public Consulting Group Inc. P.O. Box 845308 Boston, MA 02284-5308	TELEPHONE (617) 426-2026 William S. Mosakowski
jwolf@pcgus.com wmosakowski@pcgus.com	BUYER/CA (517) 241-4225 Kevin Dunn
Contract Compliance Inspector: Kevin Dunn (517) 241-4225 DunnK3@michigan.gov Statewide Revenue Maximization	
CONTRACT PERIOD: From: November 15, 2005 To: October 31, 2010	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE(S):

Effective immediately, this Contract is hereby INCREASED by \$10,850,000.00. All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per request of the Department of Human Services (PRF dated 7/02/09), Ad Board approval on 8/18/09, and DMB/Purchasing Operations' approval.

REVISED CURRENT AUTHORIZED SPEND LIMIT: \$29,350,000.00

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

July 22, 2009

CHANGE NOTICE NO. 4
OF
CONTRACT NO. 071B6200098
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Public Consulting Group Inc. P.O. Box 845308 Boston, MA 02284-5308		TELEPHONE (312) 425-0550 William S. Mosakowski
		BUYER/CA (517) 241-4225 Kevin Dunn
Contract Compliance Inspector: Kevin Dunn (517) 241-4225 DunnK3@michigan.gov Statewide Revenue Maximization		
CONTRACT PERIOD: From: November 15, 2005 To: October 31, 2010		
TERMS N/A	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE(S):

Effective immediately, this Contract is hereby **EXTENDED** through October 31, 2010, and **INCREASED** by \$500,000.00. All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per request of the Department of Human Services (PRF dated 5/21/09), Ad Board approval on 7/21/09, and DMB/Purchasing Operations' approval.

REVISED CURRENT AUTHORIZED SPEND LIMIT: \$18,500,000.00

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

November 20, 2008

**CHANGE NOTICE NO. 3
 OF
 CONTRACT NO. 071B6200098
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR		TELEPHONE (312) 425-0550 William S. Mosakowski	
Public Consulting Group Inc. P.O. Box 845308 Boston, MA 02284-5308			
		BUYER/CA (517) 241-4225 Kevin Dunn	
Contract Compliance Inspector: Kevin Dunn (517) 241-4225 DunnK3@michigan.gov Statewide Revenue Maximization			
CONTRACT PERIOD:		From: November 15, 2005	To: October 31, 2009
TERMS	SHIPMENT		
N/A	N/A		
F.O.B.	SHIPPED FROM		
N/A	N/A		
MINIMUM DELIVERY REQUIREMENTS			
N/A			

NATURE OF CHANGE(S):

Effective October 22, 2008, the following CHANGES are made to the list of Pre-qualified vendors contact information (**see attached revised list):

- **Maximus Inc. – Replace David Richards with Richard Sankey**
 Phone: (850) 545-5326 Email: richardsankey@maximus.com
- **Health Management Associates – Replace Janice Trudegeon with Darlene Gregory**
 Email: dgregory@healthmanagement.com

AUTHORITY/REASON:

Per request of the Department of Human Services (email dated 10/22/08), and approval of DMB/Purchasing Operations.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$18,000,000.00

List of Pre-qualified vendors contact information

Maximus

Tom McGraw, President
Revenue Services Division
11419 Sunsets Hills
Reston, VA 20190
fax 703-251-8240

tommcgraw@maximus.com

And

Richard Sankey**
Central Regional Vice President
Revenue Service Division
Phone: 850-545-5326
fax: : 703-251-8240

richardsankey@maximus.com

Health Management Associates

Darlene Gregory**
Health Management Associates
120 N Washington Square #705
Lansing, MI 48933
fax 517- 482-0920

dgregory@HealthManagement.com

And

Dave Ferguson
Health Management Associates
120 N Washington Square #705
Lansing, MI 48933

DFerguson@HealthManagement.com

Public Consulting Group, Inc.

Jerry Wolf
100 West Monroe - Suite 1200
Chicago, IL 60603
Fax:312-425-0565

Email: jwolf@pcgus.com

And

Dennis Bothamley
Public Consulting Group Inc.
148 State Street
Boston, Massachusetts 02109

dbothamley@pcgus.com

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

October 15, 2008

CHANGE NOTICE NO. 2 (REVISED)**
OF
CONTRACT NO. 071B6200098
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Public Consulting Group Inc. P.O. Box 845308 Boston, MA 02284-5308		TELEPHONE (312) 425-0550 William S. Mosakowski
		BUYER/CA (517) 241-4225 Kevin Dunn
Contract Compliance Inspector: Kevin Dunn (517) 241-4225 DunnK3@michigan.gov Statewide Revenue Maximization		
CONTRACT PERIOD: From: November 15, 2005 To: October 31, 2009		
TERMS N/A	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE(S):

Effective immediately, this Contract is hereby INCREASED by \$15,000,000.00 **for Department of Human Services' use. All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per request of DHS, Ad Board approval on 9/30/2008, and DMB/Purchasing Operations' approval.

REVISED CURRENT AUTHORIZED SPEND LIMIT: \$18,000,000.00

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

June 26, 2008

**CHANGE NOTICE NO. 1
 OF
 CONTRACT NO. 071B6200098
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Public Consulting Group Inc. P.O. Box 845308 Boston, MA 02284-5308		TELEPHONE (312) 425-0550 William S. Mosakowski
		BUYER/CA (517) 241-4225 Kevin Dunn
		Contract Compliance Inspector: Kevin Dunn (517) 241-4225 DunnK3@michigan.gov Statewide Revenue Maximization
CONTRACT PERIOD: From: November 15, 2005 To: October 31, 2009		
TERMS N/A	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE(S):

Effective immediately, this Contract is hereby EXTENDED through October 31, 2009.
NOTE: The DMB Buyer for this Contract is changed to Kevin Dunn (517) 241-4225. All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per request of DHS and DMB/Purchasing Operations' approval.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$3,000,000.00

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

March 17, 2006

NOTICE
OF
CONTRACT NO. 071B6200098
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Public Consulting Group Inc. P.O. Box 845308 Boston, MA 02284-5308		TELEPHONE (312) 425-0550 William S. Mosakowski
		BUYER/CA (517) 335-4804 Douglas Collier, CPPB
		Contract Compliance Inspector: Douglas Collier CollierD1@michigan.gov Statewide Revenue Maximization
CONTRACT PERIOD: From: November 15, 2005 To: October 31, 2008		
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>	
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>	
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>		

The terms and conditions of this Contract are those of **ITB #071I4001225**, this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

Estimated Contract Value: \$3,000,000.00

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

**CONTRACT NO. 071B6200098
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Public Consulting Group Inc. P.O. Box 845308 Boston, MA 02284-5308	TELEPHONE (312) 425-0550 William S. Mosakowski BUYER/CA (517) 335-4804 Douglas Collier, CPPB
Contract Compliance Inspector: Douglas Collier CollierD1@michigan.gov Statewide Revenue Maximization	
CONTRACT PERIOD: From: November 15, 2005 To: October 31, 2008	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION: <p>The terms and conditions of this Contract are those of ITB #07114001225, this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.</p> <p>Estimated Contract Value: \$3,000,000.00</p>	

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

FOR THE VENDOR: <hr/> <p style="text-align: center;">Public Consulting Group Inc.</p> <hr/> <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>	FOR THE STATE: <hr/> <p style="text-align: center;">Signature</p> <p style="text-align: center;">Sean L. Carlson</p> <hr/> <p style="text-align: center;">Name</p> <p style="text-align: center;">Director, Acquisition Services</p> <hr/> <p style="text-align: center;">Title</p> <hr/> <p style="text-align: center;">Date</p>
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ACQUISITION SERVICES
STATE OF MICHIGAN

CONTRACT #071B6200098

TABLE OF CONTENTS

I-A PURPOSE.....5

I-B TERM OF CONTRACT.....5

I-C ISSUING OFFICE5

I-D CONTRACT ADMINISTRATOR.....5

I-E COST LIABILITY7

I-F CONTRACTOR RESPONSIBILITIES7

I-G ESTABLISHING THE PRE-QUALIFIED VENDOR POOL7

I-H USE OF THE PRE-QUALIFIED VENDOR POOL.....7

I-I PRE-QUALIFIED VENDOR SELECTION PROCESS7

I-J NEWS RELEASES7

I-K DISCLOSURE.....8

I-L ACCOUNTING RECORDS.....8

I-M INDEMNIFICATION8

I-N LIMITATION OF LIABILITY10

I-O NON INFRINGEMENT/COMPLIANCE WITH LAWS10

I-P WARRANTIES AND REPRESENTATIONS10

I-Q TIME IS OF THE ESSENCE.....11

I-R STAFFING OBLIGATIONS11

I-S WORK PRODUCT AND OWNERSHIP11

I-T CONFIDENTIALITY OF DATA AND INFORMATION12

I-U REMEDIES FOR BREACH OF CONFIDENTIALITY.....12

I-V CONTRACTOR'S LIABILITY INSURANCE12

I-W NOTICE AND RIGHT TO CURE14

I-X CANCELLATION.....14

I-Y RIGHTS AND OBLIGATIONS UPON CANCELLATION.....15

I-Z EXCUSABLE FAILURE15

I-AA ASSIGNMENT16

I-BB DELEGATION.....16

I-CC NON-DISCRIMINATION CLAUSE16

I-DD WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT17

I-EE MODIFICATION OF SERVICE.....17

I-FF NOTICES18

I-GG ENTIRE AGREEMENT18

I-HH NO WAIVER OF DEFAULT.....18

I-II SEVERABILITY18

I-JJ HEADINGS19

I-KK RELATIONSHIP OF THE PARTIES19

I-LL UNFAIR LABOR PRACTICES.....19

I-MM SURVIVOR.....19

I-NN GOVERNING LAW19

I-OO YEAR 2000 SOFTWARE COMPLIANCE19

I-PP CONTRACT DISTRIBUTION19

I-QQ STATEWIDE CONTRACTS20

I-RR ADHERANCE TO PM METHODOLOGY STANDARD.....20

I-SS ELECTRONIC FUNDS TRANSFER.....20

I-TT TRANSITION ASSISTANCE.....20

I-UU DISCLOSURE OF LITIGATION20

I-VV STOP WORK21



II-A BACKGROUND/PROBLEM STATEMENT 23
II-B OBJECTIVES..... 23
II-C FEE PROPOSAL 27
II-D CONTRACT PAYMENT 27
II-E SECOND TIER WORK REQUEST PROCESS..... 28

ATTACHMENTS

List of Pre-qualified vendors contact information



DEFINITION OF TERMS

TERMS	DEFINITIONS
Contract	A binding agreement entered into by the State of Michigan resulting from a bidder's proposal; see also "Blanket Purchase Order."
Contractor	The successful bidder who is awarded a Contract.
DMB	Michigan Department of Management and Budget
RFP	Request For Proposal - A term used by the State to solicit proposals for services such as consulting. Typically used when the requesting agency requires vendor assistance in identifying an acceptable manner of solving a problem.
ITB	Invitation to Bid - A generic form used by Acquisition Services to solicit quotations for services or commodities. The ITB serves as the document for transmitting the RFP to interested potential bidders.
Successful Bidder	The bidder(s) awarded a Contract as a result of a solicitation.
State	The State of Michigan For Purposes of Indemnification as set forth in section I-J, State means the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents.
Blanket Purchase Order	Alternate term for "Contract" used in the State's Computer system (Michigan Automated Information Network [MAIN])
Expiration	Except where specifically provided for in the Contract, the ending and termination of the contractual duties and obligations of the parties to the Contract pursuant to a mutually agreed upon date.
Cancellation	Ending all rights and obligations of the State and Contractor, except for any rights and obligations that are due and owing.
Work Product	Work Product means any data compilations, reports, and any other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of and in furtherance of performing the services required by this Contract.



**SECTION I
CONTRACTUAL SERVICES TERMS AND CONDITIONS**

I-A PURPOSE

The purpose of this contract is to establish a pre-qualified vendor pool to allow state agencies to solicit proposals from organizations interested in performing services that will increase the amount of revenue received by the state from non-state revenue sources.

Contract(s) awarded from this solicitation will be a contingency contract; compensation paid is directly linked to, and paid from, the attainment of increased revenue.

I-B TERM OF CONTRACT

The State of Michigan is not liable for any cost incurred by any bidder prior to signing of a Contract by all parties. The activities in the proposed Contract cover the period **November 15, 2005 through October 31, 2008 with 2 one-year options**. The State fiscal year is October 1st through September 30th. The prospective Contractor should realize that payments in any given fiscal year are contingent upon enactment of legislative appropriations.

I-C ISSUING OFFICE

This contract is issued by the State of Michigan, Department of Management and Budget (DMB), Acquisition Services, hereafter known as Acquisition Services, for the State of Michigan, and Office of the State Budget. Where sections are a combination of those of Acquisition Services, and the Office of the State Budget, the authority will be known as the State.

Acquisition Services is the sole point of contact in the State with regard to all procurement and contractual matters relating to the services described herein. Acquisition Services is the only office authorized to change, modify, amend, alter, clarify, etc., the prices, specifications, terms, and conditions of this Request For Proposal and any Contract(s) awarded as a result of this Request. Acquisition Services will remain the SOLE POINT OF CONTACT throughout the procurement process, until such time as the Director of Acquisition Services shall direct otherwise in writing. See Paragraph II-C below. All communications concerning this procurement must be addressed to:

Douglas Collier, CPPB
DMB, Acquisition Services
2nd Floor, Mason Building
P.O. Box 30026
Lansing, MI 48909
Email: collierd1@michigan.gov
Phone: 517-335-4804

I-D CONTRACT ADMINISTRATOR

Upon receipt at Acquisition Services of the properly executed Contract Agreement, it is anticipated that the Director of Acquisition Services will direct that the person named below or any other person so designated be authorized to administer the Contract on a day-to-day basis during the term of the Contract. However, administration of any Contract resulting from this Request implies no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions, and specifications of such Contract. That authority is retained by Acquisition Services. The Contract Administrator for this project is:

Douglas Collier
DMB, Acquisition Services
2nd Floor, Mason Building
P.O. Box 30026
Lansing, MI 48909



**I-E COST LIABILITY**

The State of Michigan assumes no responsibility or liability for costs incurred by the Contractor prior to the signing of any Contract resulting from this Request. Total liability of the State is limited to the terms and conditions of any resulting Contract.

I-F CONTRACTOR RESPONSIBILITIES

The Contractor will be required to assume responsibility for all contractual activities offered in this proposal whether or not that Contractor performs them. Further, the State will consider the Prime Contractor to be the sole point of contact with regard to contractual matters, including but not limited to payment of any and all costs resulting from the anticipated Contract. If any part of the work is to be subcontracted, the contractor must notify the state and identify the subcontractor(s), including firm name and address, contact person, complete description of work to be subcontracted, and descriptive information concerning subcontractor's organizational abilities. The State reserves the right to approve subcontractors for this project 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.

I-G ESTABLISHING THE PRE-QUALIFIED VENDOR POOL

The goal of the first phase of this solicitation process is to establish a pool of vendors who have been pre-qualified to perform services that will increase the amount of revenue received by the state from non-state revenue sources. To be included in the pool, pre-qualified vendors will be required to sign Primary Contracts with Acquisition Services. After the signing of the Primary Contracts and the creation of the qualified vendor pool, Acquisition Services and other state agencies as appropriate will conduct training for all qualified vendors on the streamlined, second tier, competitive contract selection process under which future Work Contracts may be awarded.

I-H USE OF THE PRE-QUALIFIED VENDOR POOL

The Primary Contracts and any resulting Work Contracts will be written so as to incorporate by reference all the terms of this RFP. State agencies may include additional terms and conditions within their specific Work Request. There is no stated or implied guarantee that Work Contracts will be awarded to any pre-qualified vendor(s) by the SOM.

I-I PRE-QUALIFIED VENDOR SELECTION PROCESS

The second tier work request process will be initiated by state agencies as specific needs arise. State agencies after formalizing a comprehensive work statement will facilitate the second tier selection process for each contracting effort. The Work Request will identify the statement of work, period of performance, deliverables, specific response information required, and any special terms and conditions. State agencies will send out the solicitation to all pre-qualified vendors in that specific category. These vendors will respond directly to the State agency within the timeframe specified in the Work Request. The State agency will evaluate the responses and determine the vendor that will provide the best overall value for their work request. Any Second Tier Work Request award is final. The State reserves the right to add additional vendors to this program.

I-J NEWS RELEASES

News releases pertaining to this document or the services, study, data, or project to which it relates will 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 program are to be released without prior approval of the State and then only to persons designated.

**I-K DISCLOSURE**

All information in a bidder's proposal and any Contract resulting from this ITB is subject to the provisions of the Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, *et seq.*

I-L ACCOUNTING RECORDS

The Contractor will be required to 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 (3) years from the expiration date and final payment on the Contract or extension thereof.

I-M INDEMNIFICATION**A. 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.

B. 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.

C. 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 subclauses, 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 subclause.

D. 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.

I-N LIMITATION OF LIABILITY

Except as set forth herein, neither the Contractor nor the State shall be liable to the other party for indirect or consequential damages, even if such party has been advised of the possibility of such damages. Such limitation as to indirect or consequential damages shall not be applicable for claims arising out of gross negligence, willful misconduct, or Contractor's indemnification responsibilities to the State as set forth in Section I-J with respect to third party claims, action and proceeding brought against the State.

I-O NON INFRINGEMENT/COMPLIANCE WITH LAWS

The Contractor warrants that in performing the services called for by this Contract it will not violate any applicable law, rule, or regulation, any contracts with third parties, or any intellectual rights of any third party, including but not limited to, any United States patent, trademark, copyright, or trade secret.

I-P WARRANTIES AND REPRESENTATIONS

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 has not provided any gifts, payments or other inducements to any officer, employee or agent of the State.

I-Q TIME IS OF THE ESSENCE

The Contractor agrees that time is of the essence in the performance of the Contractor's obligations under this Contract.

I-R STAFFING OBLIGATIONS

The State reserves the right to approve the Contractor's assignment of Key Personnel to this project and to recommend reassignment of personnel deemed unsatisfactory by the State.

The Contractor shall not remove or reassign, without the State's prior written approval any of the Key Personnel until such time as the Key Personnel have completed all of their planned and assigned responsibilities in connection with performance of the Contractor's obligations under this Contract. The Contractor agrees that the continuity of Key Personnel is critical and agrees to the continuity of Key Personnel. Removal of Key Personnel without the written consent of the State may be considered by the State to be a material breach of this Contract. The prohibition against removal or reassignment shall not apply where Key Personnel must be replaced for reasons beyond the reasonable control of the Contractor including but not limited to illness, disability, resignation or termination of the Key Personnel's employment.

I-S WORK PRODUCT AND OWNERSHIP

1. 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.
2. 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.



3. 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.

I-T CONFIDENTIALITY OF DATA AND INFORMATION

1. All financial, statistical, personnel, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the Contractor in order to carry out this Contract, or which become available to the Contractor in carrying out this Contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the Contractor. If the methods and procedures employed by the Contractor for the protection of the Contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this section.
2. The Contractor shall not be required under the provisions of this section to keep confidential, (1) information generally available to the public, (2) information released by the State generally, or to the Contractor without restriction, (3) information independently developed or acquired by the Contractor or its personnel without reliance in any way on otherwise protected information of the State. Notwithstanding the foregoing restrictions, the Contractor and its personnel may use and disclose any information which it is otherwise required by law to disclose, but in each case only after the State has been so notified, and has had the opportunity, if possible, to obtain reasonable protection for such information in connection with such disclosure.

I-U REMEDIES FOR BREACH OF CONFIDENTIALITY

The Contractor acknowledges that a breach of its confidentiality obligations as set forth in section I-Q of this Contract shall be considered a material breach of the Contract. Furthermore the Contractor acknowledges that in the event of such a breach the State shall be irreparably harmed. Accordingly, if a court should find that the Contractor has breached or attempted to breach any such obligations, the Contractor will not oppose the entry of an appropriate order restraining it from any further breaches or attempted or threatened breaches. This remedy shall be in addition to and not in limitation of any other remedy or damages provided by law.

I-V CONTRACTOR'S LIABILITY 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. The Contractor also agrees to provide evidence that all applicable insurance policies contain a waiver of subrogation by the insurance company.

All insurance coverages 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 herein specified or required by law, whichever is greater. All deductible amounts for any of the required policies are subject to approval by the State.



The State reserves the right to reject insurance written by an insurer the State deems unacceptable.

BEFORE THE CONTRACT IS SIGNED BY BOTH PARTIES 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. THE CERTIFICATE MUST BE ON THE STANDARD "ACCORD" FORM. THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING. All such Certificate(s) are to be prepared and submitted by the Insurance Provider and not by the Contractor. All such Certificate(s) shall contain a provision indicating that coverages afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Acquisition Services, Department of Management and Budget. Such NOTICE must include the CONTRACT NUMBER affected and be mailed to: Director, Acquisition Services, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909.

The Contractor is required to provide the type and amount of insurance checked () below:

1. Commercial General Liability with the following minimum coverages:

\$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 policy.

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 policy.

3. Worker's disability compensation, disability benefit or other similar employee benefit act with minimum statutory limits. NOTE: (1) If coverage is provided by a State fund or if Contractor has qualified as a self-insurer, separate certification must be furnished that coverage is in the state fund or that Contractor has approval to be a self-insurer; (2) Any citing of a policy of insurance must include a listing of the States where that policy's coverage is applicable; and (3) Any policy of insurance must contain a provision or endorsement providing that the insurers' rights of subrogation are waived. 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. For contracts providing temporary staff personnel to the State, the Contractor shall provide an Alternate Employer Endorsement with minimum coverage of \$1,000,000.

5. Employers liability insurance with the following minimum limits:

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

**I-W NOTICE AND 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. 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.

I-X 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 the time period 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 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.

I-Y RIGHTS AND OBLIGATIONS UPON CANCELLATION

1. If the Contract is canceled by the State for any reason, the Contractor shall, (a) stop all work as specified in the notice of cancellation, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Work Product or other property derived or resulting from the Contract that may be in the Contractor's possession, (c) return all materials and property provided directly or indirectly to the Contractor by any entity, agent or employee of the State, (d) transfer title and deliver to the State, unless otherwise directed by the Contract Administrator or his or her designee, all Work Product resulting from the Contract, and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or cancellation settlement costs, to the maximum practical extent, including, but not limited to, canceling or limiting as otherwise applicable, those subcontracts, and outstanding orders for material and supplies resulting from the canceled Contract.
2. In the event the State cancels this Contract prior to its expiration for its own convenience, the State shall pay the Contractor for all charges due for services provided prior to the date of cancellation and if applicable as a separate item of payment pursuant to the Contract, for partially completed Work Product, on a percentage of completion basis. In the event of a cancellation for cause, or any other reason under the Contract, the State will pay, if applicable, as a separate item of payment pursuant to the Contract, for all partially completed Work Products, to the extent that the State requires the Contractor to submit to the State any such deliverables, and for all charges due under the Contract for any cancelled services provided by the Contractor prior to the cancellation date. All completed or partially completed Work Product prepared by the Contractor pursuant to this Contract shall, at the option of the State, become the State's property, and the Contractor shall be entitled to receive just and fair compensation for such Work Product. Regardless of the basis for the cancellation, the State shall not be obligated to pay, or otherwise compensate, the 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 cancellation by the State is for cause, the State shall have the right to set-off against any amounts due the Contractor, the amount of any damages for which the Contractor is liable to the State under this Contract or pursuant to law and equity.
4. Upon a good faith cancellation, 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 Work Product under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

I-Z 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 thereunder 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.

I-AA ASSIGNMENT

The Contractor shall not have the right to assign this Contract or to assign or delegate any of its duties or obligations under this 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.

I-BB DELEGATION

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

I-CC NON-DISCRIMINATION CLAUSE

In the performance of any Contract or purchase order resulting herefrom, the bidder agrees not to discriminate against any employee or applicant for employment, with respect to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability unrelated to the individual's ability to perform the duties of the particular job or position. The bidder further agrees that every subcontract entered into for the performance of any Contract or purchase order resulting herefrom will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2101, *et seq*, and the Persons with Disabilities Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, *et seq*, and any breach thereof may be regarded as a material breach of the Contract or purchase order.

**I-DD WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT**

In performing services for the State pursuant to this Contract, the Contractor shall comply with Department of Civil Service Rules 2-20 regarding Workplace Safety and 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service Regulations governing workplace safety and discriminatory harassment and any applicable state agency rules on these matters that the agency provides to the Contractor. Department of Civil Service Rules and Regulations can be found on the Department of Civil Service website at www.michigan.gov/mdcs.

I-EE MODIFICATION OF SERVICE

The Director of Acquisition Services reserves the right to modify this service during the course of this Contract. Such modification may include adding or deleting tasks that this service shall encompass and/or any other modifications deemed necessary.

Any Contract resulting from this RFP may not be revised, 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.

The State reserves the right to request from time to time, any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. The Contractor shall provide a change order process and all requisite forms. The State reserves the right to negotiate the process during contract negotiation. At a minimum, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

1. Within five (5) business days of receipt of a request by the State for any such change, or such other period of time as to which the parties may agree mutually in writing, the Contractor shall submit to the State a proposal describing any changes in products, services, timing of delivery, assignment of personnel, and the like, and any associated price adjustment. The price adjustment shall be based on a good faith determination and calculation by the Contractor of the additional cost to the Contractor in implementing the change request less any savings realized by the Contractor as a result of implementing the change request. The Contractor's proposal shall describe in reasonable detail the basis for the Contractor's proposed price adjustment, including the estimated number of hours by task by labor category required to implement the change request.
2. If the State accepts the Contractor's proposal, it will issue a change notice and the Contractor will implement the change request described therein. The Contractor will not implement any change request until a change notice has been issued validly. The Contractor shall not be entitled to any compensation for implementing any change request or change notice except as provided explicitly in an approved change notice.
3. If the State does not accept the Contractor's proposal, the State may:
 - a. withdraw its change request; or
 - b. modify its change request, in which case the procedures set forth above will apply to the modified change request.

If the State requests or directs the Contractor to perform any activities that are outside the scope of the Contractor's responsibilities under the Contract ("New Work"), the Contractor must notify the State promptly, and before commencing performance of the requested activities, that it believes the requested activities are New Work. If the Contractor fails to so notify the State prior to commencing performance of the requested activities, any such activities performed before notice is given by the Contractor shall be conclusively considered to be In-scope Services, not New Work.

If the State requests or directs the Contractor to perform any services or functions that are consistent with and similar to the services being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the scope of the Contractor's responsibilities and charges as set forth in the Contract, then prior to performing such services or function, the Contractor shall promptly notify the State in writing that it considers the services or function to be an "Additional Service" for which the Contractor should receive additional compensation.



If the Contractor does not so notify the State, the Contractor shall have no right to claim thereafter that it is entitled to additional compensation for performing such services or functions. If the Contractor does so notify the State, then such a service or function shall be governed by the change request procedure set forth in the preceding paragraph.

IN THE EVENT PRICES ARE NOT ACCEPTABLE TO THE STATE, THE CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING BASED UPON THE NEW SPECIFICATIONS.

I-FF NOTICES

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.

For the Contractor: William S. Mosakowski
Public Consulting Group Inc.
P.O. Box 845308
Boston, MA 02284-5308

For the State: DMB, Acquisition Services
Douglas Collier
2nd Floor, Mason Building
P.O. Box 30026
Lansing, MI 48909

Either party may change its address where notices are to be sent giving written notice in accordance with this section.

I-GG ENTIRE AGREEMENT

The contents of this document and the vendor's proposal will become contractual obligations, if a Contract ensues. Failure of the successful bidder to accept these obligations may result in cancellation of the award.

The Contract resulting from this RFP shall represent the entire agreement between the parties and supersedes all proposals or other prior agreements, oral or written, and all other communications between the parties relating to this subject.

I-HH NO WAIVER OF DEFAULT

The failure of a party to insist upon strict adherence to any term of a Contract resulting from this RFP 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.

I-II 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.

**I-JJ 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.

I-KK 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.

I-LL UNFAIR LABOR PRACTICES

Pursuant to 1980 Public Act 278, as amended, MCL 423.231, et seq, the State shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act. This information is compiled by the United States National Labor Relations Board.

A Contractor of the State, in relation to the Contract, shall not enter into a Contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 Public Act 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of the Contractor as an employer, or the name of the subcontractor, manufacturer or supplier of the Contractor appears in the register.

I-MM SURVIVOR

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 this Contract for any reason.

I-NN GOVERNING LAW

This Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

I-OO YEAR 2000 SOFTWARE COMPLIANCE

The Contractor warrants that services provided under this Contract including but not limited to the production of all Work Products, shall be provided in an accurate and timely manner without interruption, failure or error due the inaccuracy of Contractor's business operations in processing date/time data (including, but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000, including leap year calculations. The Contractor shall be responsible for damages resulting from any delays, errors or untimely performance resulting therefrom.

I-PP 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.

**I-QQ STATEWIDE CONTRACTS**

If the contract is for the use of more than one agency and if the goods or services provided under the contract do not meet the form, function and utility required by an agency, that agency may, subject to state purchasing policies, procure the goods or services from another source.

I-RR ADHERANCE TO PM METHODOLOGY STANDARD

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 by contacting the DMB Office of Information Technology Solutions. The State of Michigan Project Management Methodology can be obtained from the DMB Office of Project Management's website at <http://www.michigan.gov/dit>.

The contractor shall use the State's PMM 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.

I-SS ELECTRONIC FUNDS TRANSFER

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.michigan.gov/ofm.

I-TT 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 **90 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. If the State cancels this Contract for cause, then the State will be entitled to off set the cost of paying the Contractor for the additional resources the Contractor utilized in providing transition assistance with any damages the State may have otherwise accrued as a result of said cancellation.

I-UU DISCLOSURE OF LITIGATION

1. 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.
2. 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.

3. 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.
4. 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:
 - a) the ability of the Contractor or its subcontractor to continue to perform this Contract in accordance with its terms and conditions, or
 - b) 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.

5. 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.

I-VV STOP WORK

1. 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:
 - a) Cancel the stop work order; or
 - b) Cancel the work covered by the stop work order as provided in the cancellation section of this Contract.
2. 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:
 - a) 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
 - b) 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.



3. 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.
4. 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.
5. 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.



SECTION II WORK STATEMENT

II-A BACKGROUND/PROBLEM STATEMENT

The State of Michigan is interested in identifying revenue maximization strategies and implementing those strategies to maximize the amount of federal or other revenue dollars available to the State of Michigan.

Unidentified funding opportunities may exist within state-operated programs where the State could be maximizing federal reimbursement or receiving other unclaimed revenue. Examples of federal programs where additional revenues may exist include, but are not limited to, Title IV-D, child support, and, Title IV-E, foster care.

II-B OBJECTIVES

1. General:

The State of Michigan is requesting proposals from interested organizations that are designed to accomplish the following:

- a. Identify federal revenue enhancement opportunities/strategies for the State of Michigan that exist under current federal statutes, regulations and/or policies for which the State of Michigan is not currently maximizing potential federal revenues.
- b. Develop and assist in implementing changes in state programs, policies and procedures necessary to realize these federal revenue enhancement opportunities.
- c. Develop and assist in implementing federal and other cost savings and cost containment strategies that minimize costs of services or enhance existing recovery activities and develop additional means of recovery for costs incurred by the State of Michigan.

1. Tasks: for becoming a Tier Two Vendor

In submitting revenue maximization proposals, interested organizations will:

- a. Cite the current federal statute, regulation or policy to which the revenue maximization opportunity/strategy applies.
- b. Explain methods and procedures to be used to attain increased revenue.
- c. Estimate the amount of additional revenue to be received by the State of Michigan for each revenue maximization proposal. The estimate of additional revenue must include the rationale used for determining the existence of available new revenue, a detailed description of the methods and assumptions used in the analysis as well as the base level of revenue upon which the calculation is made.
- d. Estimate the degree of involvement and the amount of time required of state employees to successfully implement each revenue maximization opportunity/strategy.
- e. Provide a guaranteed not-to-exceed price quote based on fixed hourly prices and per diems, including all costs and expenses necessary to perform the project. The State of Michigan may select alternative payment methods to compensate for the costs of services which may include a contingency fee based on actual additional recovery amounts.



2. General:

The State of Michigan is also seeking information concerning the qualifications of interested organizations. An interested organization will provide evidence of successful experiences, reliability, and expertise.



2a. Tasks:

Experience and reliability will be demonstrated through implementation of revenue maximization strategies or methods within the past 5 years on behalf of other governmental entities. A strategy or method will be considered successful if additional revenue sources were attained and if increased revenue was received. Any past revenue maximization strategies or methods that have been or are being challenged by the federal government and the results/status of those challenges should be disclosed.

In order to demonstrate the organization's qualification, the following information must be submitted for each prior experience.

- a. Name, address, and telephone number of client/contacting agency and a representative of that client/agency who may be contacted for verification of all information submitted. If the contact person listed as the reference is unable to be reached, the listed experience may not be considered.
- b. Key dates of the service/project including, but not limited to project initiation date, project completion date, implementation date, and approval date.
- c. Names of the organization's personnel who performed the identified services and the role of each person in the performance.
- d. A detailed description of the specific prior services performed including, but not limited to:
 - (i) The specific requirements of the service performed.
 - (ii) A description of the activities performed by the organization's personnel.
 - (iii) A description of how the services were performed.
 - (iv) The results of the project, i.e., additional revenue sources, increased revenue or recoveries, approved State Plan amendments.

The quality of the organization's personnel will be subjectively evaluated.

2b. Tasks:

Organizations interested in performing revenue maximization services or projects should submit detailed information related to the experience and quality of its personnel, including education, training and previous successful revenue maximization experience. Personnel information should include the following:

- a. Summary information of personnel.
 - (i) Previous experience in completing similar revenue maximization services or projects.
 - (ii) Beginning and ending dates of the services or projects.
 - (iii) Description of the role of the person in such performances.
 - (iv) Results of the revenue maximization project.
 - (v) How the person's involvement in that project will relate to the person's ability to contribute to the proposed initiative for the State of Michigan.



- b. Resume for each of the organization's personnel who would be involved in a State of Michigan initiative.

- c. The organization's plans to recruit key personnel, including detailed job descriptions and the type of persons proposed to be hired.



- d. Listing of backup personnel that may be called upon to assist or to replace primary personnel.
- e. Information concerning the organization's structure.
 - (i) An organization chart illustrating names and working titles of personnel, staffing and lines of authority for key personnel to be used in a State of Michigan initiative, all subcontractors (including management, supervisory and other key personnel.)
 - (ii) A description of how revenue maximization services or projects will be managed, controlled and supervised in order to ensure successful outcomes.

II-C FEE PROPOSAL

- 1. This is a no cost contract. In all matters concerning this Contract, compensation for work performed shall be performance based. Specifically, compensation shall be derived from revenue received by the State from non-state revenue resources. Proposals for other methods of compensation may be submitted for consideration. However, the Contract must remain at no cost to the State.
- 2. All fees/rates quoted in bidder's response to this RFP will be firm for the duration of the Contract. No fee changes will be permitted.
- 3. Indicate specific services to be provided to the State at no cost to the State.
- 4. Additional optional services that are available to the State at a cost to the State should be detailed.
- 5. In all matters concerning the awarded contracts, the Contractor's sole and absolute loyalty and fiduciary duty is to the State of Michigan.

II-D CONTRACT PAYMENT

Not Applicable

**II-E SECOND TIER WORK REQUEST PROCESS**

All vendors Pre-qualified will be notified of the WORK REQUEST. The WORK REQUEST will contain a Statement Of Work, the attainment of increased revenue or cost recovery.), the period of performance and any special terms to the work contract. The vendors' responses to the WORK REQUEST will be evaluated based upon a set of criteria pre-established by the user agency specifications.

Second Tier Work Request Process

1. State agency emails WORK REQUEST to all vendors.
2. Vendors submit WORK REQUEST responses (response to statement of work, resume(s) and proposal) to State agency within specified time.
3. State agency conducts evaluation, checks references, interviews, negotiates and executes Work Contract with Contractor.
4. Agency receives Second Tier Work Request Process.
5. Agency accesses Acquisition Services Second Tier information, including information on qualified vendors and the contracting process.
6. Agency ensures that WORK REQUEST contains measurable minimum qualifications based deliverables and provide AS-1
7. Agency performs Portfolio Risk/Severity assessment to determine appropriate approval levels
8. Agencies will emails and WORK REQUEST to all vendors.
9. Vendors submit WORK REQUEST responses (response to statement of work, resume(s) and proposal) to the requesting Agency within specified time.
10. Acquisition Services (as needed)/ Agency conducts evaluation / checks references / interviews, negotiates and executes Work Contract with Contractor.
11. Any Second Tier Work Request award is final no protest period will only apply to the Pre-qualified.
12. Vendor bills Agency for services that have been provided according to terms of Primary Contract and Work Contract.
13. Agency tracks Work Contract purchases against each Primary Contract and provides (quarterly) usage report to Acquisition Services.
14. Agency completes vendor performance "report card" and forwards copy to Acquisition Services.
15. Acquisition Services records and tracks vendor performance.

Method of Compensation

In each WORK REQUEST, Agency will select or propose a method of compensation that it believes to be in the agency's best interests and contingency contract; compensation paid is directly linked to, and paid from, the attainment of increased revenue or cost recovery.



Services Work Request

This Work Request is issued under your Contract with the Department of Management & Budget, Acquisition Services (DMB), as established as a result of Request For Proposals # 07114001225.

Project Name:

Date Issued:

Respond By:

Category of Service Requested



Required Skill Requested

Expected Work Period

(start date) through (end date)

Project Background/History



Project Scope of Work

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Project Deliverables

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Other Factors for this Work Request

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AGENCY Project Manager Information

AGENCY/ Project Manager:			
Title:			
Phone :		Email:	
		Fax:	

**List of Pre-qualified vendors contact information****Maximus**

Tom McGraw, President
Revenue Services Division
11419 Sunsets Hills
Reston, VA 20190
fax 703-251-8240

tommcgraw@maximus.com

And

Richard Sankey**
Central Regional Vice President
Revenue Service Division
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