

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

February 4, 2009

CHANGE NOTICE NO. 6  
 TO  
 CONTRACT NO. 071B6200144  
 between  
 THE STATE OF MICHIGAN  
 and

NAME & ADDRESS OF VENDOR		TELEPHONE (517) 318-3330 x19 <b>Richard Brewer</b>	
Career Quest, Inc. 5000 Northwind Drive, Suite 120 East Lansing, MI 48823			
Contract Compliance Inspector:		BUYER/CA (517) 373-7396 <b>Andy Ghosh, CPPB</b>	
<b>Temporary Employment Services - Statewide</b>			
CONTRACT PERIOD:		From: <b>February 21, 2006</b> To: <b>March 31, 2009</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>	

**NATURE OF CHANGE(S):**

Effective immediately, this Contract is hereby EXTENDED through March 31, 2009. All other terms, conditions, specifications, and pricing remain unchanged.

**AUTHORITY/REASON:**

Per request of DMB/Purchasing Operations and approval per Richard Brewer on 2/4/09.

**CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$13,500,000.00**

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

May 21, 2008

**CHANGE NOTICE NO. 5**  
**TO**  
**CONTRACT NO. 071B6200144**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF VENDOR  <b>Career Quest, Inc.</b> <b>5000 Northwind Drive, Suite 120</b> <b>East Lansing, MI 48823</b>		TELEPHONE (517) 318-3330 x19 <b>Carl Valentino</b>
		BUYER/CA (517) 373-7396 <b>Andy Ghosh, CPPB</b>
Contract Compliance Inspector: <b>Temporary Employment Services - Statewide</b>		
CONTRACT PERIOD: From: <b>February 21, 2006</b> To: <b>February 20, 2009</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>		

**NATURE OF CHANGE(S):**

Effective immediately, The Department of Community Health Temp Storekeepers are hereby allowed to drive state vehicles. All other terms, conditions, specifications, and pricing remain unchanged.

**AUTHORITY/REASON:**

Per Department of Community Health request and approved by DMB/Purchasing Operations. Reference: DMB-Risk Management email from Deborah Roberts dated 3/27/08, clarifying the requirement of \$1,000,000.00 policy for owned, hired, and non-owned vehicles and an indemnity clause. This Contract covers both requirements.

**CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$13,500,000.00**

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

August 30, 2007

**CHANGE NOTICE NO. 4**  
**TO**  
**CONTRACT NO. 071B6200144**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF VENDOR  <b>Career Quest, Inc.</b> <b>5000 Northwind Drive, Suite 120</b> <b>East Lansing, MI 48823</b>	TELEPHONE (517) 318-3330 x19 <b>Carl Valentino</b>
Contract Compliance Inspector: <b>Temporary Employment Services - Statewide</b>	BUYER/CA (517) 373-7396 <b>Andy Ghosh, CPPB</b>
CONTRACT PERIOD: From: <b>February 21, 2006</b> To: <b>February 20, 2009</b>	
TERMS <span style="float: right;"><b>N/A</b></span>	SHIPMENT <span style="float: right;"><b>N/A</b></span>
F.O.B. <span style="float: right;"><b>N/A</b></span>	SHIPPED FROM <span style="float: right;"><b>N/A</b></span>
MINIMUM DELIVERY REQUIREMENTS <span style="float: right;"><b>N/A</b></span>	

**NATURE OF CHANGE(S):**

Effective IMMEDIATELY, the billing rate for the following position is amended as below:

- 1. Executive Secretary      Billing rate for Genesee County      \$12.97 Per hour

Job duties and all other terms and conditions remain the same.

**AUTHORITY/REASON:** Per DMB/Purchasing Operations/Paul Jaques, Career Quest

**ESTIMATED CONTRACT VALUE REMAINS:** \$13,500,000.00

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

October 5, 2006

**CHANGE NOTICE NO. 3**  
**TO**  
**CONTRACT NO. 071B6200144**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF VENDOR		TELEPHONE (517) 318-3330 x19	
<b>Career Quest, Inc.</b> <b>5000 Northwind Drive, Suite 120</b> <b>East Lansing, MI 48823</b>		<b>Carl Valentino</b>	
		BUYER/CA (517) 373-7396	
Contract Compliance Inspector:		<b>Andy Ghosh, CPPB</b>	
<b>Temporary Employment Services - Statewide</b>			
CONTRACT PERIOD:		From: <b>February 21, 2006</b>	To: <b>February 20, 2009</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>	

**NATURE OF CHANGE(S):**

Effective IMMEDIATELY, the following temporary positions are added to the Contract:

- |                  |                               |                  |
|------------------|-------------------------------|------------------|
| 1. Veterinarians | Billing rate for all regions: | \$30.50 per hour |
| 2. Vet Techs     | Billing rate for all regions: | \$14.62 per hour |

Job duties are attached herewith. All other terms and conditions remain the same.

**AUTHORITY/REASON:** Per DMB/Purchasing Operations/Department of Agriculture

**ESTIMATED CONTRACT VALUE REMAINS:** \$13,500,000.00

## **JOB DUTIES**

**Veterinarians:** 961-86-25-5004

Inspects livestock suspected of disease; reports disease outbreaks and issues quarantines as necessary.

Interprets and explains state and federal laws, rules and regulations pertaining to animal health activities for dealers, brokers, truckers, and the general public.

Confers with animal owners and veterinarians as to livestock history, management, mortality, feeds, and possible exposure to disease by various means.

Compiles detailed data and other information for use in animal health studies and diagnoses.

May perform ante and postmortem investigations of animals to ascertain that state and federal laws, rules and regulations governing animal health activities have been complied with.

May inspect pet stores, riding stables, research facilities, and animal shelters to investigate the welfare of animals.

**Vet Techs:** 961-86-25-5103

Participates in the inspection of livestock suspected of disease, by collecting diagnostic samples and specimens (blood, urine, and tissue) under the direction of a Veterinarian.

Restrains animals for testing or sample collection by a Veterinarian.

Packages animal specimens and delivers to the Department of Agriculture laboratory or other appropriate laboratory.

Administers animal vaccinations, treats animals for disease, and performs euthanasia on livestock, or other animals as appropriate, under the direction of a Veterinarian.

Assists the Veterinarian in inspecting horses at horse racing facilities.

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 20, 2006

**CHANGE NOTICE NO. 2**  
**TO**  
**CONTRACT NO. 071B6200144**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF VENDOR  <b>Career Quest, Inc.</b> <b>5000 Northwind Drive, Suite 120</b> <b>East Lansing, MI 48823</b>		TELEPHONE (517) 318-3330 x19 <b>Carl Valentino</b>
		BUYER/CA (517) 373-7396 <b>Andy Ghosh, CPPB</b>
Contract Compliance Inspector: <b>Temporary Employment Services - Statewide</b>		
CONTRACT PERIOD: From: <b>February 21, 2006</b> To: <b>February 20, 2009</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>		

**NATURE OF CHANGE(S):**

Effective IMMEDIATELY, miscellaneous commodity code (962-03) is added to this contract for hiring miscellaneous category temporaries. This may be noted that per Article 1.102 – IT Professionals, Temporary Psychiatric Services, Temporary Medical Doctors and Nurses, and Temporary Pharmacists are OUT OF SCOPE of this contract. All other terms and conditions remain unchanged.

**AUTHORITY/REASON:** Per DMB/Purchasing Operations approval.

**ESTIMATED CONTRACT VALUE REMAINS:** \$13,500,000.00

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

March 1, 2006

CHANGE NOTICE NO. 1  
TO  
CONTRACT NO. 071B6200144  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF VENDOR		TELEPHONE (517) 318-3330 x19	
Career Quest, Inc. 5000 Northwind Drive, Suite 120 East Lansing, MI 48823		Carl Valentino	
		BUYER/CA (517) 373-7396	
Contract Compliance Inspector:		Andy Ghosh, CPPB	
Temporary Employment Services - Statewide			
CONTRACT PERIOD:		From: February 21, 2006 To: February 20, 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 please see attached Addendum #1 dealing with Assignment Duration and Rate Changes.

**AUTHORITY/REASON:** Per DMB/Acquisition Services approval.

**ESTIMATED CONTRACT VALUE REMAINS:** \$13,500,000.00

**CONTRACT NO(S) 071B6200143, 071B6200144, 071B6200145 &  
071B6200146**

**GENERAL TEMPORARY EMPLOYMENT SERVICES**

**ADDENDUM #1: ASSIGNMENT DURATION, AND RATE CHANGES**

The purpose of this addendum is to define the duration of any given temporary assignment to facilitate fair and uniform implementation of changes in billing rates. For cases not explicitly covered by these proceedings, DMB Acquisition Services should be contacted for additional guidance.

Positions filled by temporary employee assignments may be subject to a change in bill rate as a result of: a.) contract expiration, or b.) negotiated rate changes implemented during the normal course of a given contract. This list is not intended to be exhaustive, and therefore may warrant a modified application of these proceedings where applicable. However, rate changes may only be implemented upon the expiration of an assignment as defined below. In consideration of these circumstances, the following definitions shall apply:

**Position Defined:** The role that any given employee is hired to fulfill.

**Assignment Defined:** An assignment carries the same definition as a position except that it is not on-going, but rather, it is finite in length. The duration of an assignment is prescribed by the agency purchase orders that are used to acquire the services in question.

**Limitations on Assignment Duration:** As prescribed in the contract, the maximum number of hours an employee may accrue in one year for any given position may not exceed 832. That is not to say that a temporary employee may not bill more than 832 hours per year; this limitation only applies to a single position. For example, if a single position required 1664 hours of service per year, at least two individuals would be required to fulfill the needs of that position over the course of any twelve month period. Correspondingly, there is no limitation to the total number of hours that an employee may bill on an annual basis provided that no more than 832 hours are attributable to any one position.

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

February 28, 2006

NOTICE  
OF  
CONTRACT NO. 071B6200144  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF VENDOR		TELEPHONE (517) 318-3330 x19	
Career Quest, Inc. 5000 Northwind Drive, Suite 120 East Lansing, MI 48823		Carl Valentino	
		BUYER/CA (517) 373-7396	
Contract Compliance Inspector:		Andy Ghosh, CPPB	
Temporary Employment Services - Statewide			
CONTRACT PERIOD:		From: February 21, 2006 To: February 20, 2009	
TERMS	N/A	SHIPMENT	N/A
F.O.B.	N/A	SHIPPED FROM	N/A
MINIMUM DELIVERY REQUIREMENTS		N/A	

The terms and conditions of this Contract are those of ITB #071I6200034, 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: \$13,500,000.00

**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. 071B6200144  
 between  
 THE STATE OF MICHIGAN  
 and**

NAME & ADDRESS OF VENDOR  <b>Career Quest, Inc.          5000 Northwind Drive, Suite 120          East Lansing, MI 48823</b>	TELEPHONE (517) 318-3330 x19 <b>Carl Valentino</b>  BUYER/CA (517) 373-7396 <b>Andy Ghosh, CPPB</b>
Contract Compliance Inspector: <p style="text-align: center;"><b>Temporary Employment Services - Statewide</b></p>	
CONTRACT PERIOD: From: <b>February 10, 2006</b> To: <b>February 9, 2009</b>	
TERMS <p style="text-align: center;"><b>N/A</b></p>	SHIPMENT <p style="text-align: center;"><b>N/A</b></p>
F.O.B. <p style="text-align: center;"><b>N/A</b></p>	SHIPPED FROM <p style="text-align: center;"><b>N/A</b></p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;"><b>N/A</b></p>	
MISCELLANEOUS INFORMATION:  <p><b>The terms and conditions of this Contract are those of ITB #071I6200034, 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.</b></p> <p><b>Estimated Contract Value: \$13,500,000.00</b></p>	

**THIS IS NOT AN ORDER:** This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No.071I6200034. A Purchase Order Form will be issued only as the requirements of the State Departments are submitted to Acquisition Services. Orders for delivery may be issued directly by the State Departments through the issuance of a Purchase Order Form.

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

<b>FOR THE VENDOR:</b>  <div style="text-align: center; border-bottom: 1px solid black; margin-bottom: 5px;"> <b>Career Quest, Inc.</b>        Firm Name     </div> <div style="text-align: center; border-bottom: 1px solid black; margin-bottom: 5px;">       Authorized Agent Signature     </div> <div style="text-align: center; border-bottom: 1px solid black; margin-bottom: 5px;">       Authorized Agent (Print or Type)     </div> <div style="text-align: center; border-bottom: 1px solid black;">       Date     </div>	<b>FOR THE STATE:</b>  <div style="text-align: center; border-bottom: 1px solid black; margin-bottom: 5px;">       Signature  <b>Sean L. Carlson</b>        Name     </div> <div style="text-align: center; border-bottom: 1px solid black; margin-bottom: 5px;"> <b>Director, Acquisition Services</b>        Title     </div> <div style="text-align: center; border-bottom: 1px solid black;">       Date     </div>
---	---



**STATE OF MICHIGAN  
Department of Management and Budget  
Acquisition Services**

**Contract No. 071B6200144  
Temporary Employment Services**

**Buyer Name: Andy Ghosh  
Telephone Number: 517-373-7396  
E-Mail Address: ghosha@michigan.gov**



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## ARTICLE 1 – STATEMENT OF WORK (SOW)

### 1.0 Project Identification

#### **1.001 PROJECT REQUEST**

This contract is issued by the Acquisition Services at the Michigan Department of Management and Budget. The intent of this contract B is to engage contractors to provide cost-efficient Temporary Employment Services for the State of Michigan. It is estimated that an assignment may last up to 832 hours. The duration of each assignment will depend upon the type of program as well as the vacancy at the Agency level.

#### **1.002 BACKGROUND**

Acquisition Services, DMB, will prepare a Contract, which will govern the Contractor's performance of services. The Contract will include the general terms and conditions and the Statement of Work. The Contract may include additional provisions or revisions to the Work Statement to reflect agreements with the selected Contractor(s) based on proposal submissions and subsequent discussions.

This contract is to provide Temporary Employees for services to be performed for the State of Michigan in geographic locations throughout the state. These services shall include but are not limited to clerical, financial, and accounting work, data analysis, food preparation, janitorial work, and a variety of general maintenance, labor, and grounds keeping tasks. The specific skills required for the fifteen (15) positions included within this contract are listed in the foregoing portions of this section. Additional disciplines may be added during the term of the contract as needed.

### 1.1 Scope of Work and Deliverables

#### **1.101 IN SCOPE**

As cited above, the duties and responsibilities required of temporary employees shall cover a broad range of skill and experience levels. Fifteen positions have been defined to accommodate agency needs across a wide spectrum of experience levels. These positions are listed below.

1. Skilled Worker
2. Bookkeeper
3. Calculations Assistant
4. Communications Assistant
5. Data Coding Operator
6. General Office Assistant
7. Secretary
8. Word Processor Operator
9. Executive Secretary
10. Accounting Technician
11. Departmental Technician
12. Legal Personnel – Not Attorneys
13. Analyst
14. Buyer
15. Specialist

The duties and responsibilities required of these positions are described in Appendix A of this document.

**1.102 OUT OF SCOPE**

IT contractors, temporary psychiatric services, temporary medical doctors and nurses, and temporary pharmacists are not included in this ITB.

**1.103 ENVIRONMENT - RESERVED****1.104 WORK AND DELIVERABLE**

Contractor shall provide Deliverables/Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as well as other related work not specifically mentioned.

1.2 Roles and Responsibilities**1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES**

- a. The contractor must provide temporary personnel services to State agencies. (See attached map).
- b. The contractor must provide temporary personnel services, Monday through Friday, 7:00 a.m. to 5:00 p.m., as needed by State-wide agencies. Occasionally, the State may require a temporary to work second or third shift or on official State Holidays.
- c. The contractor will provide those services requested based on their ability to conform to the Job Duties specified in Section 1.104.
- d. The contractor shall provide services on an as needed, if needed, basis. The exact timing and scheduling of the contractor's services shall be between the State agency's coordinator and the contractor at the time of need.
- e. The contractor must explicitly advise all employees that the State is NOT their employer. All personnel provided by the Contractor shall be subject to the rules, regulations, and policies of the State, as well as the State Agency.
- f. The contractor must notify and provide services within 24 hours to the State Agency. If orders cannot be filled by the contractor within 24 hours, the contractor must notify the State Agency within that period of time. The requesting Agency reserves the right to procure temporary services from the State's alternate vendor(s).
- g. The contractor must provide qualified temporary employees to the State. If there are two consecutive failures by the Contractor to fill a position, the requesting Agency reserves the right to procure temporary services from the State's alternate vendor(s).
- h. The contractor shall compensate the temporary employee at the Hourly rates specified by their Price Proposal. The contractor will not charge their employees a fee for employment placement. The Contractor shall also state in the proposal as to what employee benefits are provided to the employee (i.e. Health Insurance, Paid holidays, Sick leave, Paid vacation, 401K). Note: The contractor's "Mark up" must cover expenses, including but not limited to, employee benefits, unemployment insurance, liability insurance and other similar job related expenses.



- i. **Overtime** The contractor shall compensate the temporary employee at a rate of 1½ times the contracted rate when that employee completes more than 40-hours in a week. However, the contractor must advise each employee of the State policy that no overtime shall be paid without prior authorization from the authorized State Agency coordinator. The contractor must obtain prior approval on all overtime situations.
- j. At completion of the temporary assignment, the contractor must provide an evaluation form to the work site coordinator, to be completed by the temporary employee's supervisor and return to the temporary employment agency.
- k. The contractor must obtain a Purchase order number from the requesting agency prior to filling any order.
- l. The contractor shall replace all employees found to perform unsatisfactorily within 12 hours of notification. Records shall be kept per employee regarding such requests for replacement and the employee shall not be sent to service the State if two valid complaints are filed per employee.
- m. The contractor shall provide continuous skill training for all employees.
- n. The contractor shall place an "arrival phone call" to the supervisor the first day of an employee's placement at the worksite. The contractor shall also place follow up calls to the State Agency to find out how the employee is performing at the worksite.
- o. The contractor shall be responsible for complete compliance with the American Disability Act.
- p. The Temporaries assigned to the State of Michigan are on a "No Work, No Pay" basis.
- q. If travel is required, the temporary employee will be reimbursed at the current State Travel rates. Temporaries are not allowed to drive State Vehicles.
- r. If situations demand, under special circumstances, the State reserves the right to interview temporaries, prior to placement.
- s. The State of Michigan requires that the vendor will perform "Reference Checks". The State of Michigan reserves the right to conduct "Criminal History Background" checks.

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

- a. The State will not contract with any temporary personnel agency or personnel management company other than the State contractor(s), unless the contractor is unable to meet the State's staffing needs.
- b. Acquisition Services will issue contract notices directing the Department of Management and Budget to place all temporary employee requests through the State contractor. A list of State coordinators authorized to place orders will be provided to the contractor.
- c. The State agency shall provide all necessary supplies and equipment to the temporary employee (Parking may not be available).
- d. The State must issue a purchase order to the Temporary Agency prior to filling any order.



- e. The State Agency's authorized coordinator is responsible for communicating overtime approval procedures to the contractor. No overtime will occur without prior authorization of the State Agency's authorized coordinator.
- f. The State site supervisor is responsible for approving contract employee's time sheet.
- g. The State agency coordinator shall provide the contractor with the following information when requesting services: job classification title, worksite location, supervisor name and telephone number, hours of work, length of assignment and any other miscellaneous information to aid in selection of the employee (i.e., professional skills specific to the assignment, software requirements, keyboard styles, # telephone lines, etc).

### 1.203 OTHER ROLES AND RESPONSIBILITIES - RESERVED

#### 1.3 Project Plan

##### 1.301 PROJECT PLAN MANAGEMENT

The Contractor will carry out this project under the direction and control of the DMB Acquisition Services.

Although there will be continuous liaison with the Contractor team, the State agency's coordinator will meet periodically with the Contractor's project manager, for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems which arise.

##### 1.302 REPORTS

The Contractor will submit written monthly and quarterly usage reports, in the format specified by the State, to Acquisition Services and Office of the State Employer as well as to each Agency coordinator, which details the Agency usage during the reporting period. Quarterly usage reports will also be utilized to calculate any applicable volume rebates that would be due to the State.

Performance reviews shall be conducted quarterly, semi-annually or annually depending on the Contractor's past performance. Performance reviews shall include, but not be limited to, quality of services being provided, accuracy of billings, customer service, completion and submission of required paperwork, and other requirements of this 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, this Contract may be cancelled for default.

All invoices should reflect actual work done. Invoices will be directed to each requesting department weekly and will detail name of employee, division assigned, dates worked, billed rates, and all other pertinent information (i.e. purchase order number). The requesting Department reserves the right to determine where the invoices will be mailed. Contractor will furnish DMB Acquisition Services and the State Agency coordinator with a monthly summary report of all invoices charged to the awarded contract agreement. Specific details of invoices and payments will be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Acquisition Services, Department of Management & Budget. This activity will occur only upon the specific written direction from Acquisition Services.



## 1.4 Project Management

### **1.401 ISSUE MANAGEMENT**

Issues are those things that endanger the project. It includes imminent threats and events that may have already occurred. Propose a standard issue management process for managing this contract as part of your bid response. Include responsible parties, phone numbers, email addresses if relevant, and processes. Identify how issues will be captured, reported and escalated.

This project is impacted by funding that could be reduced not only due to budget constraints but impacted by consumer census levels. The funding could be reduced due to budget issues, which could result in only part of the deliverables being received. Additionally, due to increasing or decreasing consumer census levels, the amount of deliverables required could change.

In as much as the services requested may be performed in a prison environment with direct contact with prisoner/patients, there is always the possibility of personal attack or injury.

### **1.402 RISK MANAGEMENT**

Risk and Issues are not the same. Risks are those things that you can assume or anticipate in a project. Issues are imminent threats or things that have already occurred. Risk management generally involves (1) identification of the risk, (2) assigning a level of priority based on the probability of occurrence and impact to the project, (3) definition of mitigation strategies, and (4) monitoring of risk and mitigation strategy. Risk assessment review should be conducted on a regular basis. Propose a standard risk management process for managing this contract as part of your bid response. Include responsible parties, phone numbers, email addresses if relevant, and processes.

The Agency Director may determine that this project is of no further value to the agency. The agency project manager will keep the agency director informed as to the progress of the project.

Additionally, if a position is located in a mental health facility, exposure to injury and disease may also be inherent in the work. The job duties require an employee to work under stressful conditions.

### **1.403 CHANGE MANAGEMENT**

The Agency Project Manager will identify any changes to the project. These changes could include increased/decreased need.

If a proposed contract change is approved by the Contract Compliance Inspector, the Contract Compliance Inspector will submit a request for change to the Department of Management and Budget, Acquisition Services Buyer, who will make recommendations to the Director of Acquisition Services regarding ultimate approval/disapproval of change request. If the DMB Acquisition Services Director agrees with the proposed modification, and all required approvals are obtained (including State Administrative Board), the Acquisition Services Buyer will issue an addendum to the Contract, via a Contract Change Notice. **Contractor who provides products or services prior to the issuance of a Contract Change Notice by the DMB Office of Acquisition Services, risk non-payment for the out-of-scope/pricing products and/or services.**

## 1.5 Acceptance

### **1.501 CRITERIA**

The following criteria will be used by the State to determine Acceptance of the Services and/or Deliverables provided under this SOW. The State reserves the right to require sign-off on time sheets.



Services must be presented in writing to the Agency Project Manager. Services must meet the agreed upon criteria between the Agency Project Manager and the Contractor. The Agency Project Manager must approve the services in writing to the Contractor within two weeks from the date of submittal. Any rejections of services shall be in writing to the Contractor and shall outline the reasons for rejection.

Please provide your standard acceptance criteria as part of its bid response where appropriate.

### **1.502 FINAL ACCEPTANCE**

The agency has the right to determine if the services are acceptable and the specified requirements are complete. Any intermediate acceptance of sub-Deliverables does not complete the requirement of Final Acceptance.

## 1.6 Compensation and Payment

### **1.601 COMPENSATION AND PAYMENT**

State shall pay Contractor for the performance of all activities necessary for or incidental to the performance of work as set forth in this SOW.

The contractor shall submit monthly bills itemizing activities and hours spent. Payment will be made on a monthly basis. All invoices should reflect actual work completed by payment date, and must be approved by Agency Project Manager prior to payment. Travel time will not be reimbursed.

## 1.7 Additional Terms and Conditions Specific to this SOW

### **1.701 Additional Terms and Conditions Specific to this SOW – RESERVED**



## ARTICLE 2 – GENERAL TERMS AND CONDITIONS

### 2.010 Contract Structure and Administration

#### 2.011 Definitions

Capitalized terms used in this Contract (including its Exhibits) shall have the meanings given below, unless the context requires otherwise:

- (a) “Days” means calendar days unless otherwise specified.
- (b) “24x7x365” means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
- (c) “Additional Service” means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration. “Additional Service” does not include New Work.
- (d) “Amendment Labor Rates” means the schedule of fully-loaded hourly labor rates attached as **Article 1, Attachment C**.
- (e) “Audit Period” has the meaning given in **Section 2.111**.
- (f) “Business Day,” whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
- (g) “Incident” means any interruption in Services.
- (h) “Business Critical” means any function identified in any Statement of Work as Business Critical.
- (i) “Deliverable” means physical goods and/or commodities as required or identified by a Statement of Work
- (j) “Key Personnel” means any Personnel designated in **Article 1, Section 1.201 and/or Attachment B**, as Key Personnel.
- (k) “New Work” means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration. “New Work” does not include Additional Service.
- (l) “Services” means any function performed for the benefit of the State.
- (m) “State Location” means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
- (n) “Subcontractor” means a company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
- (o) “Work in Process” means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

#### 2.012 Attachments and Exhibits

All Attachments and/or Exhibits attached to any, and all Statement(s) of Work, attached to, or referencing this Contract, are incorporated in their entirety into, and form part of, this Contract.

#### 2.013 Statements of Work

- (a) The parties agree that the Services/Deliverables to be rendered by Contractor pursuant to this Contract (and any future amendments of it) will be defined and described in detail in Statements of Work or Purchase Orders (PO) executed under this Contract. Contractor shall not be obliged or authorized to commence any work to implement a Statement of Work until authorized via a PO issued against this Contract, or an amendment to this Contract (see 2.106). Contractor shall perform in accordance with this Contract, including the Statements of Work/Purchase Orders executed under it.
- (b) Unless otherwise agreed by the parties, each Statement of Work (as defined in Article 1) will include, or incorporate by reference to the appropriate Contract Article 1 Attachment containing, the following information:



- a description of the Services to be performed by Contractor under the Statement of Work;
  - a project schedule (including the commencement and completion dates for all tasks, subtasks (for all projects of sufficient duration and complexity to warrant sub task breakdown), and Deliverables;
  - a list of the Deliverables to be provided, if any, including any particular specifications and acceptance criteria for such Deliverables, and the dates on which the Deliverables are scheduled to be completed and delivered to the State;
  - all Deliverable price schedules and other charges associated with the Statement of Work, the overall fixed price for such Statement of Work and any other appropriate pricing and payment terms;
  - a specification of Contractor's and the State's respective performance responsibilities with respect to the performance or completion of all tasks, subtasks and Deliverables;
  - a listing of any Key Personnel of Contractor and/or its Subcontractors for that Statement of Work and any future Statements of Work;
  - any other information or provisions the parties agree to include.
- (c) Reserved.
- (d) The initial Statements of Work, as of the Effective Date, are attached to this Contract.

#### **2.014 Issuing Office**

This Contract is issued by the Department of Management and Budget, Office of Acquisition Services ("OAS"). OAS is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. OAS is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. **OAS is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract.** The Contractor Administrator within the Office of Acquisition Services for this Contract is:

Andy Ghosh, CPPB  
Office of Acquisition Services  
Department of Management and Budget  
Mason Bldg, 2nd Floor  
PO Box 30026  
Lansing, MI 48909  
Email: ghosha@michigan.gov  
Phone: 517-373-7396

#### **2.015 Contract Compliance Inspector - RESERVED**

##### 2.020 Contract Objectives/Scope/Background

#### **2.021 Background**

See Section 1.02

#### **2.022 Purpose**

See Section 1.01

#### **2.023 Objectives and Scope**

See Section 1.1 Scope of Work and Deliverables

#### **2.024 Interpretation**

Sections 2.021 through 2.023 are intended to provide background and context for this Contract and are not intended to expand the scope of the obligations under this Contract or to alter the plain meaning of the terms and conditions of this Contract.



However, to the extent the terms and conditions of this Contract are unclear or otherwise ambiguous, such terms and conditions are to be interpreted and construed in light of the provisions of this Section.

### **2.025 Form, Function and Utility**

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

## 2.030 Legal Effect and Term

### **2.031 Legal Effect**

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

### **2.032 Contract Term**

This Contract is for a period of three (3) years commencing on the date that the last signature required to make the Contract enforceable is obtained. All outstanding Purchase Orders shall also expire upon the termination (cancellation for any of the reasons listed in 2.210) of the Contract, unless otherwise extended pursuant to the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

### **2.033 Renewal(s)**

This Contract may be renewed at the State's discretion in writing not less than thirty (30) days before its expiration. The Contract may be renewed for up to two (2) additional one (1) year periods.

## 2.040 Contractor Personnel

### **2.041 Contractor Personnel**

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

#### (b) Key Personnel

(i) In discharging its obligations under this Contract, Contractor shall provide the named Key Personnel on the terms indicated. **Article 1, Attachment B** provides an organization chart showing the roles of certain Key Personnel, if any.

(ii) Key Personnel shall be dedicated as defined in **Article 1, Attachment B** to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.

(iii) The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State.



The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. Additionally, the State's request shall be based on legitimate, good-faith reasons. Proposed alternative for the individual denied, shall be fully qualified for the position.

(iv) Contractor shall not remove any Key Personnel from their assigned roles or the Contract without the prior written consent of the State. If the Contractor does remove Key Personnel without the prior written consent of the State, it shall be considered an unauthorized removal ("Unauthorized Removal"). It shall not be considered an Unauthorized Removal if Key Personnel must be replaced for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. It shall not be considered an Unauthorized Removal if Key Personnel must be replaced because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides thirty (30) days of shadowing unless parties agree to a different time period. The Contractor with the State shall review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its rights under **Section 2.210**.

(v) It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 2.210**, the State may assess liquidated damages against Contractor as specified below.

For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the liquidated damages amount shall be \$25,000.00 per individual provided Contractor identifies a replacement approved by the State pursuant to **Section 2.041** and assigns the replacement to the Project to shadow the Key Personnel s/he is replacing for a period of at least thirty (30) days prior to such Key Personnel's removal.

If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least thirty (30) days, in addition to the \$25,000.00 liquidated damages for an Unauthorized Removal, Contractor shall pay the amount of \$833.33 per day for each day of the thirty (30) day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$25,000.00 maximum per individual. The total liquidated damages that may be assessed per Unauthorized Removal and failure to provide thirty (30) days of shadowing shall not exceed \$50,000.00 per individual.

(c) Re-assignment of non-Key Personnel. Prior to re-deploying to other projects, at the completion of their assigned tasks on the Project, teams of its non-Key Personnel who are performing Services on-site at State facilities or who are otherwise dedicated primarily to the Project, Contractor will give the State at least ten (10) Business Days notice of the proposed re-deployment to give the State an opportunity to object to the re-deployment if the State reasonably believes such team's Contract responsibilities are not likely to be completed and approved by the State prior to the proposed date of re-deployment.

(d) Re-assignment of Personnel at the State's Request. The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good-faith reasons. Replacement personnel for the removed person shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal.



If any such incident with removed personnel results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted in **Section 2.076** for a time as agreed to by the parties.

(e) **Staffing Levels.**

(i) All staff requirements not specified in the applicable Statement of Work or State-approved project plan as State personnel will be supplied by Contractor. This includes secretarial, clerical and Contract administration support staff necessary for Contractor to perform its obligations hereunder.

(ii) Contractor shall provide sufficient personnel resources for the completion of Contract tasks indicated in Contractor's project plan approved by the State. If the level of personnel resources is insufficient to complete any Contractor Contract tasks in accordance with the Contract time schedule as demonstrated by Contractor's failure to meet mutually agreed to time schedules, Contractor shall promptly add additional qualified personnel resources to the performance of the affected tasks, at no additional charge to the State, in an amount sufficient to complete performance of Contractor's tasks in accordance with the Contract time schedule.

(f) **Personnel Turnover.** The Parties agree that it is in their best interests to keep the turnover rate of employees of Contractor and its Subcontractors who are performing the Services to a reasonable minimum. Accordingly, if the State determines that the turnover rate of such employees is excessive and so notifies Contractor, Contractor will meet with the State to discuss the reasons for the turnover rate and otherwise use commercially reasonable efforts to minimize such turnover rate. If requested to do so by the State, Contractor will submit to the State its proposals for reducing the turnover rate to an acceptable level. In any event, notwithstanding the turnover of personnel, Contractor remains obligated to perform the Services without degradation and in accordance with the State-approved Contract schedule.

(g) **Location.** All staff assigned by Contractor to work on the Contract will perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel will, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

#### **2.042 Contractor Identification**

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

#### **2.043 Cooperation with Third Parties**

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel, and, as reasonably requested by the State, to provide to the State's agents and other contractors with reasonable access to Contractor's Project personnel, systems and facilities to the extent they relate to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities and provided Contractor receives reasonable prior written notice of such request. The State acknowledges that Contractor's time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Contract with such requests for access.

#### **2.044 Subcontracting by Contractor**

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



(b) Contractor shall not delegate any duties under this Contract to a Subcontractor unless the Department of Management and Budget, Office of Acquisition Services has given written consent to such delegation. The State shall have the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good-faith reasons. Replacement Subcontractor(s) for the removed Subcontractor shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in **Section 2.076** for a time agreed upon by the parties.

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

(d) Except where specifically approved in writing by the State on a case-by-case basis, Contractor shall flow down the obligations in **Sections 2.040, 2.110, 2.150, 2.160, 2.171(c), 2.172(b), 2.180, 2.260, 2.276, 2.297** in all of its agreements with any Subcontractors.

(e) 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.

#### **2.045 Contractor Responsibility for Personnel**

Contractor shall be responsible for all acts and omissions of its employees, as well as the acts and omissions of any other personnel furnished by Contractor to perform the Services.

#### 2.050 State Standards

#### **2.051 Existing Technology Standards - RESERVED**

#### **2.052 PM Methodology Standards - RESERVED**

#### **2.053 Adherence to Portal Technology Tools - RESERVED**

#### **2.054 Acceptable Use Policy - RESERVED**



## 2.060 Deliverables

### **2.061 Ordering**

(a) Any Services/Deliverables to be furnished under this Contract shall be ordered by issuance of written Purchase Orders/Blanket Purchase Order by the State after approval by the Contract Administrator or his/her designee. All orders are subject to the terms and conditions of this Contract. In the event of conflict between an order and this Contract, the Contract shall take precedence as stated in **Section 2.293**. In no event shall any additional terms and conditions contained on a Purchase Order/Blanket Purchase Order be applicable, unless specifically contained in that Purchase Order/Blanket Purchase Order's accompanying Statement of Work.

### **2.062 Software – RESERVED**

### **2.063 Hardware – RESERVED**

### **2.064 Equipment to be New and Prohibited Products – RESERVED**

## 2.070 Performance

### **2.071 Performance, In General**

The State engages Contractor to execute the Contract and perform the Services/provide the Deliverables, and Contractor undertakes to execute and complete the Contract in its entirety in accordance with the terms and conditions of this Contract and with the participation of State representatives as specified in this Contract.

### **2.072 Time of Performance**

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

(b) Without limiting the generality of **Section 2.072(a)**, Contractor shall notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and, in such event, shall inform the State of the projected actual delivery date.

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

### **2.073 Liquidated Damages - RESERVED**

### **2.074 Bankruptcy**

If Contractor shall file for protection under the bankruptcy laws, or if an involuntary petition shall be filed against Contractor and not removed within thirty (30) days, or if the Contractor becomes insolvent, be adjudicated bankrupt, or if it should make a general assignment for the benefit of creditors, or if a receiver shall be appointed due to its insolvency, and Contractor and/or its affiliates are unable to provide reasonable assurances that Contractor and/or its affiliates can deliver the services provided herein, the State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish such Works in Process by whatever appropriate method the State may deem expedient. Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process shall be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.



To secure the State's progress payments before the delivery of any services or materials required for the execution of Contractor's obligations hereunder, and any work which Contractor may subcontract in the support of the performance of its obligations hereunder, title shall vest in the State to the extent the State has made progress payments hereunder.

### **2.075 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.

### **2.076 Service Level Agreements (SLAs)**

Please refer to Article 1, Attachment F regarding SLAs.

## 2.080 Delivery and Acceptance of Deliverables

### **2.081 Delivery Responsibilities - RESERVED**

### **2.082 Delivery of Deliverables**

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

### **2.083 Testing – RESERVED**

### **2.084 Approval of Deliverables, In General - RESERVED**

### **2.085 Process For Approval of Written Deliverables - RESERVED**

### **2.086 Process for Approval of Services - RESERVED**

### **2.087 Process for Approval of Physical Deliverables – RESERVED**

### **2.088 Final Acceptance - RESERVED**

## 2.090 Financial

### **2.091 Pricing**

#### (a) Price Escalation/De-escalation

Pay rates may be adjusted on contract anniversary dates, based on a predetermined labor index to be agreed upon between the Supplier and the State during price negotiations. In the event that changes are made to the underlying pay rates, appropriate adjustments shall also be made to the markup percentages. If pay rates are increased, operations markup percentages will be reduced (all others will be unchanged) keeping the absolute dollar markup unchanged and no increase will be permitted in any of the markup values. If pay rates are reduced, operations markup percentages will be increased (all others will be unchanged) keeping the absolute dollar markup unchanged.



## 2.092 Invoicing and Payment Procedures and Terms

### (a) Invoicing and Payment – In General

(i) Each Contractor invoice will show details as to charges by RESOURCE and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. The charges shall be determined based on the actual number of hours of Services performed, at the applicable rates specified in **Article 1, Attachment A**. Invoices will show, for each individual, the number of hours during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State.

(ii) Reserved

(iii) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within forty-five (45) days after receipt, provided the State determines that the invoice was properly rendered.

(b) Reserved

(c) Reserved

(d) Reserved

(e) Reserved

### (f) Final Payment

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

## 2.093 State Funding Obligation

The State's obligation under this Contract is payable only and solely from funds appropriated for the purpose of this Contract. Contractor acknowledges and agrees that all funds for payments after the end of the current fiscal year are subject to the availability of a legislative appropriation for the purpose of this Contract. Events of non-appropriation are addressed further in **Section 2.210** of this Contract.

## 2.094 Holdback - RESERVED

## 2.095 Electronic Payment Availability

Electronic transfer of funds is available to State contractors. Contractor is required to register with the State electronically at <http://www.cpexpress.state.mi.us>. Public Act 533 of 2004, requires all payments be transitioned over to EFT by October, 2005.

### 2.100 Contract Management

## 2.101 Contract Management Responsibility - RESERVED

## 2.102 Problem and Contract Management Procedures

Problem Management and Contract Management procedures will be governed by the Contract and the applicable Statements of Work.



### 2.103 Reports and Meetings

Please refer to Section 1.302 for a discussion of reporting requirements.

### 2.104 System Changes

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the State. Any changes Contractor makes to State systems with the State's approval shall be done in accordance with applicable State procedures, including security, access and configuration management procedures.

### 2.105 Reserved

### 2.106 Change Requests

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

If the State requests or directs the Contractor to perform any Services/Deliverables 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 notify the State before 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/Deliverables, not New Work.

If the State requests or directs the Contractor to perform any services or provide deliverables that are consistent with and similar to the Services/Deliverables being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the Statements of Work, then before performing such services or providing such deliverables, the Contractor shall notify the State in writing that it considers the services or deliverables to be an Additional Service/Deliverable 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 that service or providing that deliverable. If the Contractor does so notify the State, then such a service or deliverable shall be governed by the Change Request procedure in this Section.

In the event prices or service levels are not acceptable to the State, the Additional Services or New Work shall be subject to competitive bidding based upon the specifications.

#### (a) Change Requests

##### (i) State Requests

If the State should require Contractor to perform New Work, Additional Services or make changes to the Services that would affect the Contract completion schedule or the amount of compensation due Contractor (a "Change"), the State shall submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a "Change Request").

##### (ii) Contractor Recommendations

Contractor shall be entitled to propose a Change to the State, on its own initiative, should it be of the opinion that this would benefit the Contract.

(iii) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change.



Contractor's proposal will include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.

(iv) By giving Contractor written notice within a reasonable time, the State shall be entitled to accept a Contractor proposal for Change, to reject it or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice shall be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").

(v) No proposed Change shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, Office of Acquisition Services.

(vi) If the State requests or directs Contractor to perform any activities that Contractor believes constitute a Change, Contractor must notify the State that it believes the requested activities are a Change prior to commencing the performance of the requested activities. If Contractor fails to so notify the State prior to commencing performance of the requested activities, such activities shall be considered to be performed gratuitously by Contractor, and Contractor shall not have any right thereafter to assert any claim for additional compensation or time for the performance of such activities. If Contractor commences performance of gratuitous services outside the scope of this Contract and subsequently elects to stop performing such out-of-scope services, Contractor must, at the request of the State, back out or reverse any changes resulting from such performance that would adversely affect the Contract.

## **2.107 Management Tools – RESERVED**

### 2.110 Records and Inspections

#### **2.111 Records and Inspections**

The Contractor agrees that the State may, upon 24-hour notice, perform an audit at Contractor's location(s) to determine if the Contractor is complying with the requirements of the Contract. The Contractor agrees to cooperate with the State during the audit and produce all records and documentation that verifies compliance with the Contract requirements.

#### **2.112 Errors**

(a) 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.

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



## 2.120 State Responsibilities

### **2.121 State Performance Obligations**

- (a) **Equipment and Other Resources.** To facilitate Contractor's performance of the Services/Deliverables, the State shall provide to Contractor such equipment and resources as identified in the Statements of Work or other Contract Exhibits as items to be provided by the State.
- (b) **Facilities.** The State shall designate space as long as it is available and as provided in the Statement of Work, to house Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). Contractor shall have reasonable access to, and unless agreed otherwise by the parties in writing shall observe and comply with all rules and regulations relating to, each of the State Facilities (including hours of operation) used by Contractor in the course of providing the Services. Contractor agrees that it will not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for Contractor's use, or to which Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.
- (c) **Return.** Contractor shall be responsible for returning to the State any State-furnished equipment, facilities and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.
- (d) Except as otherwise provided in **Section 2.220**, the State's failure to perform its responsibilities as set forth in this Contract shall not be deemed to be grounds for termination by Contractor. However, Contractor will not be liable for any default or delay in the performance of its obligations under this Contract to the extent such default or delay is caused by nonperformance of the State's obligations under this Contract, provided Contractor provides the State with reasonable written notice of such nonperformance and Contractor uses commercially reasonable efforts to perform notwithstanding the State's failure to perform. In addition, if the State's nonperformance of its responsibilities under this Contract materially increases the time required for Contractor's performance or Contractor's cost of performance, Contractor shall be entitled to seek an equitable extension via the Change Request process described in **Section 2.106**.

## 2.130 Security

### **2.131 Background Checks**

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

All Contractor personnel will also be expected to comply with the State's security and acceptable use policies for State IT equipment and resources. See [http://www.michigan.gov/ditservice/0,1607,7-179-25781-73760--\\_00.htm](http://www.michigan.gov/ditservice/0,1607,7-179-25781-73760--_00.htm). Furthermore, Contractor personnel will be expected to agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. It is expected the Contractor will present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff will be expected to comply with all Physical Security procedures in place within the facilities where they are working.

## 2.140 Reserved

2.150 Confidentiality**2.151 Freedom of Information**

All information in any proposal submitted to the State by Contractor and this Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, et seq (the "FOIA").

**2.152 Confidentiality – RESERVED****2.153 Protection of Confidential Information**

The State and Contractor will each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by 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 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.

**2.154 Exclusions – RESERVED****2.155 No Implied Rights – RESERVED****2.156 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).

**2.157 Security Breach Notification – RESERVED****2.158 Survival**

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

**2.159 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.

2.160 Proprietary Rights - RESERVED



2.170 Warranties and Representations

**2.171 Warranties and Representations**

The Contractor represents and warrants:

- (a) It is capable in all respects of fulfilling and shall fulfill all of its obligations under this Contract. The performance of all obligations under this Contract shall be provided in a timely, professional, and workman-like manner and shall meet the performance and operational standards required under this Contract.
- (b) RESERVED
- (c) RESERVED
- (d) RESERVED
- (e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (f) It is qualified and registered to transact business in all locations where required.
- (g) Neither the Contractor nor any Affiliates, nor any employee of either, has, 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.
- (h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or shall accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor shall not attempt to influence any State employee by the direct or indirect offer of anything of value.
- (i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or such Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.
- (j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.
- (k) 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 change in the business, properties, financial condition, or results of operations of Contractor.
- (m) 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.



(n) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or such department within the previous five (5) years for the reason that Contractor failed to perform or otherwise breached an obligation of such contract.

#### **2.172 Software Warranties – RESERVED**

#### **2.173 Equipment Warranty – RESERVED**

#### **2.174 Physical Media Warranty - RESERVED**

#### **2.175a DISCLAIMER – RESERVED**

#### **2.175b Standard Warranties – RESERVED**

#### **2.176 Consequences for Breach**

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

#### 2.180 Insurance

#### **2.181 Liability Insurance**

##### (a) 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.

All insurance coverages provided relative to this Contract/Purchase Order are 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. All policies of insurance required in this Contract shall be issued by companies that have been approved to do business in the State.

See [http://www.mi.gov/cis/0,1607,7-154-10555\\_22535---,00.html](http://www.mi.gov/cis/0,1607,7-154-10555_22535---,00.html).

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 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 ("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 coverages 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 the applicable coverage is provided by a self-insurer, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

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

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision 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 three million dollars (\$3,000,000.00), 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 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.

### **2.182 Health Insurance Portability and Accountability Act**

To the extent that this act is pertinent to the services that the CONTRACTOR provides to the STATE under this agreement, the CONTRACTOR assures that it is in compliance with the Health Insurance Portability and Accountability Act (HIPAA) requirements including the following:

1. The CONTRACTOR must not share any protected health data and information provided by the STATE that falls within HIPAA requirements except to a subcontractor as appropriate under this agreement.
2. The CONTRACTOR must require the subcontractor not to share any protected health data and information from the STATE that falls under HIPAA requirements in the terms and conditions of the subcontract.
3. The CONTRACTOR must only use the protected health data and information for the purposes of this agreement.
4. The CONTRACTOR must have written policies and procedures addressing the use of protected health data and information that falls under the HIPAA requirements. The policies and procedures must meet all applicable federal and state requirements including the HIPAA regulations.
5. The CONTRACTOR must have a policy and procedure to report to the STATE unauthorized use or disclosure of protected health data and information that falls under the HIPAA requirements of which the CONTRACTOR becomes aware.
6. Failure to comply with any of these contractual requirements may result in the termination of this agreement in accordance with Section 9 – CANCELLATION.
7. In accordance with HIPAA requirements, the CONTRACTOR is liable for any claim, loss or damage relating to unauthorized use or disclosure of protected health data and information by the CONTRACTOR received from the STATE or any other source.

### **2.183 Bloodborne Pathogens**

The CONTRACTOR agrees to comply with 29 CFR Part 1910.1030 and other applicable State and federal laws and regulations concerning bloodborne pathogens as may be necessary for the protection of the CONTRACTOR. The CONTRACTOR is responsible for determining the risk of exposure to bloodborne pathogens in performing the work of the contract. The CONTRACTOR shall be responsible for obtaining vaccination against Hepatitis B for him/herself or any of his/her employees whom the CONTRACTOR determines may be at risk through the work of this contract. The CONTRACTOR shall maintain copies of all vaccination records and all other records required for compliance with 29 CFR Part 1910.3030 for the CONTRACTOR and any employees determined to be at risk. The CONTRACTOR is responsible for obtaining annual training on bloodborne pathogens, confidential medical evaluations and follow-up after an exposure incident.



## 2.184 Carf Compliance

The CONTRACTOR agrees to comply with requirements of the Rehabilitation Accreditation Commission (CARF) and to provide evidence of compliance with standards upon request of the agency, which specifies the standard and requirement provided the requirement is within the scope and provisions of the Agreement.

### 2.190 Indemnification

#### 2.191 Indemnification

##### (a) General Indemnification

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

##### (b) 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.

##### (c) Employee Indemnification

In any and all claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract 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 benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

##### (d) Patent/Copyright Infringement Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that 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 patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor 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 to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if 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.

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 developed based on written specifications of the State;



or (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contract.

### **2.192 Continuation of Indemnification Obligations**

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

### **2.193 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 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.



## 2.200 Limits of Liability and Excusable Failure

### **2.201 Limits of Liability**

The Contractor's liability for damages to the State shall be limited to two times the value of the Contract or \$200,000, whichever 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; 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.

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

### **2.202 Excusable Failure**

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent such default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of 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 commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay and provided further that such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.

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

Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition.



Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

### **2.203 Disaster Recovery**

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

#### 2.210 Termination/Cancellation by the State

The State may terminate 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:

### **2.211 Termination for Cause**

(a) In the event that Contractor breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA as defined in **Section 2.076**), 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 (such time period not to be less than thirty (30) days), 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 termination to Contractor, terminate this Contract in whole or in part, for cause, as of the date specified in the notice of termination.

(b) In the event that this Contract is terminated for cause, in addition to any legal remedies otherwise available to the State by law or equity, Contractor shall be responsible for all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs shall not be considered by the parties to be consequential, indirect or incidental damages, and shall not be excluded by any other terms otherwise included in this Contract, provided such costs are not in excess of fifty percent (50%) more than the prices for such Service/Deliverables provided under this Contract.

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

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

### **2.212 Termination for Convenience**

The State may terminate this Contract for its convenience, in whole or part, if the State determines that such a termination is in the State's best interest. Reasons for such termination shall be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any ITB issued by the State.



The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least thirty (30) days prior to the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause shall cease on the effective date of the termination.

### **2.213 Non-Appropriation**

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

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

(c) In the event the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor pursuant to this Section, the State shall pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. For the avoidance of doubt, this Section will not preclude Contractor from reducing or stopping Services/Deliverables and/or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

### **2.214 Criminal Conviction**

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense incident to the application for, or performance of, a State, public or private Contract or subcontract; convicted of a criminal offense, including 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 Contractor's business integrity.

### **2.215 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, § 5, and Civil Service Rule 7-1. 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.

### **2.216 Rights and Obligations upon Termination**

(a) 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 Deliverables 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 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.

(b) 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 Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor 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.

(c) 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 deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

### **2.217 Reservation of Rights**

Any termination of this 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.

### **2.218 Contractor Transition Responsibilities**

In the event this contract is terminated, for convenience or cause, dissolved, voided, rescinded, nullified, expires or is otherwise rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. In the event of termination or the expiration of this 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 ninety (90) days. These efforts shall include, but are not limited to, the following:

(a) 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 this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors or vendors. Contractor will notify all of Contractor's subcontractors of procedures to be followed during transition.

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



(d) Software. - The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Contract. This shall include any documentation being used by the Contractor to perform the Services under this 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. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

(e) Payment - If the transition results from a termination for any reason, reimbursement shall be governed by the termination provisions of this Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates specified by **Article 1, Attachment C**. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

### **2.219 State Transition Responsibilities**

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:

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

#### 2.220 Termination by Contractor

### **2.221 Termination by Contractor**

If the State materially breaches its obligation to pay Contractor undisputed amounts due and owing under this Contract in accordance with **Section 2.090**, or if the State breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for Contractor to perform the Services, and if the State does not cure the breach within the time period specified in a written notice of breach provided to the State by Contractor (such time period not to be less than thirty (30) days), then Contractor may terminate this Contract, in whole or in part based on Statement of Work for cause, as of the date specified in the notice of termination; provided, however, that Contractor must discharge its obligations under **Section 2.250** before any such termination.

#### 2.230 Stop Work

### **2.231 Stop Work Orders**

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to ninety (90) calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this **Section 2.230**. Upon receipt of the stop work order, 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) terminate the work covered by the stop work order as provided in **Section 2.210**.

### **2.232 Cancellation or Expiration of Stop Work Order**

If a stop work order issued under this **Section 2.230** is canceled or the period of the stop work order or any extension thereof expires, Contractor shall resume work. The parties shall agree upon 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 Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within thirty (30) calendar days after the end of the period of work stoppage;



provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment will conform to the requirements of **Section 2.106**.

### **2.233 Allowance of Contractor Costs**

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, such termination shall be deemed to be a termination for convenience under **Section 2.212**, and the State shall allow reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State shall not be liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.230**.

#### 2.240 Reserved

#### 2.250 Dispute Resolution

### **2.251 In General**

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

### **2.252 Informal Dispute Resolution**

- (a) All operational disputes between the parties shall be resolved under the Contract Management procedures developed pursuant to **Section 2.100**. If the parties are unable to resolve any disputes after compliance with such processes, the parties shall meet with the Director of Acquisition Services, DMB, or designee, for the purpose of attempting to resolve such dispute without the need for formal legal proceedings, as follows:
- (i) The representatives of Contractor and the State shall meet as often as the parties reasonably deem necessary in order to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
  - (ii) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract will be honored in order that each of the parties may be fully advised of the other's position.
  - (iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
  - (iv) Following the completion of this process within sixty (60) calendar days, the Director of Acquisition Services, DMB, or designee, shall issue a written opinion regarding the issue(s) in dispute within thirty (30) calendar days. The opinion regarding the dispute shall be considered the State's final action and the exhaustion of administrative remedies.
- (b) This **Section 2.250** will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or pursuant to **Section 2.253**.



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

### **2.253 Injunctive Relief**

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.252** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is such that the damages to such party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

### **2.254 Continued Performance**

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment shall not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.210** and **2.220**, as the case may be.

## 2.260 Federal and State Contract Requirements

### **2.261 Nondiscrimination**

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

### **2.262 Unfair Labor Practices**

Pursuant to 1980 PA 278, 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 PA 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

### **2.263 Workplace Safety and Discriminatory Harassment**

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



## 2.270 Litigation

### **2.271 Disclosure of Litigation**

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

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

- (i) the ability of Contractor (or a Subcontractor hereunder) to continue to perform this Contract in accordance with its terms and conditions, or
- (ii) whether Contractor (or a Subcontractor hereunder) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in such Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then Contractor shall be required to provide the State all reasonable assurances requested by the State to demonstrate that:

(A) Contractor and/or its Subcontractors hereunder will be able to continue to perform this Contract and any Statements of Work in accordance with its terms and conditions, and

(B) Contractor and/or its Subcontractors hereunder have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in such Proceeding.

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

(1) Within thirty (30) days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor shall notify the Office of Acquisition Services.

(2) Contractor shall also notify the Office of Acquisition Services within thirty (30) days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.

(3) Contractor shall also notify Acquisition Services within thirty (30) days whenever changes to company affiliations occur.

### **2.272 Governing Law**

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

### **2.273 Compliance with Laws**

Contractor shall comply with all applicable state, federal, and local laws and ordinances ("Applicable Laws") in providing the Services/Deliverables.



### 2.274 Jurisdiction

Any dispute arising from the Contract shall be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to such jurisdiction on the grounds of lack of personal jurisdiction of such court or the laying of venue of such court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

### 2.280 Environmental Provision – RESERVED

### 2.290 General

### 2.291 Amendments

The Contract may not be modified, amended, extended, or augmented, except by a writing executed by the parties.

### 2.292 Assignment

(a) Neither party shall have the right to assign the Contract, or to assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as such affiliate is adequately capitalized and can provide adequate assurances that such affiliate can perform the Contract. Any purported assignment in violation of this Section shall be null and void. It is the policy of the State of Michigan to withhold consent from proposed assignments, subcontracts, or novations when such transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

(b) Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. In the event of any such permitted assignment, Contractor shall not be relieved of its responsibility to perform any duty imposed upon it herein, and the requirement under the Contract that all payments shall be made to one entity shall continue.

### 2.293 Entire Contract; Order of Precedence

(a) The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to such subject matter and as additional terms and conditions on the purchase order shall apply as limited by **Section 2.061**.

(b) In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of **Sections 2.110 through 2.220** of the Contract, which may be modified or amended only by a formal Contract amendment.

### 2.294 Headings

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

### 2.295 Relationship of the Parties (Independent Contractor Relationship)

The relationship between the State and Contractor is that of client and independent Contractor. No agent, employee, or servant of Contractor or any of its Subcontractors shall be or shall be deemed to be an employee, agent or servant of the State for any reason.



Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

### 2.296 Notices

(a) Any notice given to a party under the Contract 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.

State:

Andy Ghosh, CPPB  
Office of Acquisition Services  
Department of Management and Budget  
Mason Bldg, 2nd Floor  
PO Box 30026  
Lansing, MI 48909  
Email: [ghosha@michigan.gov](mailto:ghosha@michigan.gov)  
Phone: 517-373-7396

Contractor(s):

Carl Valentino  
Career Quest, Inc.  
5000 Northwind Drive, Suite 120  
East Lansing, MI 48823  
Phone: 517-318-3330 Ext. 19

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

(b) Binding Commitments

Representatives of Contractor identified in **Article 1, Attachment B** shall have the authority to make binding commitments on Contractor's behalf within the bounds set forth in such table. Contractor may change such representatives from time to time upon written notice.

### 2.297 Media Releases and Contract Distribution

(a) Media Releases

Neither Contractor nor the State will make any news releases, public announcements or public disclosures, nor will they have any conversations with representatives of the news media, pertaining to the Contract, the Services or the Contract without the prior written approval of the other party, and then only in accordance with explicit written instructions provided by that party. In addition, neither Contractor nor the State will use the name, trademarks or other proprietary identifying symbol of the other party or its affiliates without such party's prior written consent. Prior written consent of the Contractor must be obtained from authorized representatives.

(b) 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.

### 2.298 Reformation and 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.



### **2.299 Consents and Approvals**

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

### **2.300 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.

### **2.301 Survival**

Any provisions of the Contract that impose continuing obligations on the parties including the parties' respective warranty, indemnity and confidentiality obligations, shall survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

### **2.302 Covenant of Good Faith**

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

### **2.303 Permits**

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

### **2.304 Website Incorporation**

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

### **2.305 Taxes**

Vendors are expected to collect and pay all applicable federal, state, and local employment taxes, including the taxes defined in Section 3.022 for all persons involved in the resulting Contract.

The State may refuse to award a contract to any Vendor who has failed to pay any applicable State taxes. The State may refuse to accept Vendor's bid, if Vendor has any outstanding debt with the State. Prior to any award, the State will verify whether Vendor has any outstanding debt with the State.

### **2.306 Prevailing Wage – RESERVED**

### **2.307 Call Center Disclosure**

**Contractor and/or all subcontractors involved in the performance of this Contract providing call or contact center services to the State 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 Contract.**



### **2.308 Future Bidding Preclusion**

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

#### 2.310 Reserved

#### 2.320 Extended Purchasing

### **2.321 MiDEAL**

Public Act 431 of 1984 permits DMB to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. A current listing of approved program members is available at: <http://www.michigan.gov/doingbusiness/0,1607,7-146-6586-16656--,00.html>. Unless otherwise stated, it is the responsibility of the Contractor to ensure that the non-state agency is an authorized purchaser before extending the Contract pricing.

The Contractor will supply Contract Services and equipment at the established State of Michigan contract prices and terms to the extent applicable and where available. Inasmuch as these are non-state agencies, all invoices will be submitted to and payment remitted by the local unit of government on a direct and individual basis.

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

### **2.322 State Employee Purchases – RESERVED**

#### 2.330 Federal Grant Requirements – RESERVED



## Appendix A

### Job Duties – Contract #071B6200144

Contractor shall provide Deliverables/Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as well as other related work not specifically mentioned, as set forth below:

#### 1. Skilled Worker

Janitor:

- Clean and service restrooms; sweep, vacuum and mop floors and stairways.
- Clean grounds, walks, parking lots and such facilities as garages, storerooms, park and rest area facilities.
- Gather and dispose of rubbish and waste materials by hand or with the use of powered equipment.
- Lock and unlock buildings.
- Observe appearances and conditions of premises and equipment; report needed repairs, safety hazards, or conditions requiring outside vendor services.
- Dust such items as blinds, furniture, file cabinets, and windowsills using treated dust mittens, cloths, or hand-cleaning items. Scrub, strip, sanitize, wax, and buff floors using powered machines equipped with rotating brushes.
- Polish furniture, metal work, and chrome using appropriate cleaning and polishing compounds.
- Wash walls, ceilings woodwork, windows, mirrors and fixtures using both step and extension ladders. Clean grounds and parking lots of litter, glass or other debris.
- Replace light bulbs and fuses.
- Assist in the performance of minor building maintenance jobs using manual and power tools.

Laborer:

- Unload materials from trucks by hand or with hand operated or motorized equipment.
- Unpack incoming goods and wrap and pack outgoing goods.
- Operate hand equipment such as hand trucks and dollies to transport stock.
- May operate a forklift, or other material handling equipment to facilitate the movement of materials.
- Operate tractors or power mowers.
- May perform ground maintenance including the removal of snow from sidewalks, walkways, roadways, and parking lots by hand or using snow blowers, and mowing of small areas of grass, trimming shrubs, etc. at an office site.
- Load, unload, and move supplies, materials, equipment, or heavy furniture to and from work site using dollies, handcarts or power equipment.
- Assist in cleaning, repairing or replacing, and painting of buildings, park benches, tables, and playground equipment.

**Storekeeper:**

- Open, timestamp, separate and distribute incoming mail in a mail/store room.
- Count, weigh, and measure goods received or issued.
- Unpack incoming goods and wrap and pack outgoing goods.
- Stock materials according to a prescribed inventory system.
- Operate hand equipment such as hand trucks and dollies to transport stock.
- Dispense items and posts amounts of items to inventory control cards or automated systems.

**Cook:**

- Prepare and cook meats, vegetables, and casserole dishes for general and/or modified diet menus using hand and power kitchen utensils and equipment.
- Prepare salads, desserts and beverages.
- Prepare food for special occasions such as meetings, birthdays and holidays.
- Assemble food for transportation by measuring out food, placing in proper containers and loading hot and/or cold food carts; receive and unload returned carts; disposes of unused food; and removes soiled ware for washing.
- Participate in the washing, sanitizing, and cleaning of the premises, cooking utensils, and kitchen equipment.
- Receive and put away stock such as canned goods, paper products, fish, meats, cereal, flour, sugar and eggs.

**2. Bookkeeper:**

- Work is performed by applying knowledge of accounting terminology and through the use of spreadsheets, database software and/or complex computer systems such as the Michigan Administrative Information Network (MAIN), Financial Administration and Control System (FACS).
- Receive, sort, correct, and reconcile a variety of accounting documents.
- Review and code financial information.
- Disburse funds, make deposits and prepare financial reports.
- Process information, and maintain records.

**3. Calculations Assistant:**

- Perform computational activities which provide such support services as: examining, counting, coding, proofreading and correcting a variety of documents requiring arithmetical computations.
- Perform arithmetical calculations; compile numerical data; compose summary reports, tables, graphs and correspondence.

**4. Communications Assistant:**

- Disseminate information and materials over the counter or by telephone to the public, regarding state government and/or departmental services.
- Receive visitors and answer telephone; screen and/or direct visitors, callers, or messages appropriately; input, retrieve, update, or delete information from computer files.
- May perform typing duties incidental to the work such as typing cards, labels, folders, envelopes, forms, and short memoranda and reports.

**5. Data Coding Operator:**

- Operate a computer terminal on-line to transmit data to or receive data from computer.
- Key data onto magnetic cards, tape, or disk.
- Retrieve, delete, update and correct data on computer files.

**6. General Office Assistant:**

- Perform general office support assignments where the processing of documents, recording, retrieving, and distribution of data or information are an essential and/or substantial part of the work.
- Sort, batch, route and/or code mail and other documents.
- Retrieve and print data from computer files.
- Preparing and maintaining office records, reports, and correspondence as directed.
- Route and distribute reports to various departments.

**7. Secretary:**

- Secretarial assignments support the on-going operations of an office. These assignments may include such duties as scheduling meetings; preparing and maintaining office records, reports, and correspondence as directed.
- Skilled typing and the ability to use word processors and related software applications to produce letters, memoranda, brochures, charts, graphs, forms, and other material.
- Proofread for errors, making corrections as necessary.
- Sort, batch, route and/or code mail and other documents.
- Update manuals and other references.
- Respond to inquiries by providing information retrieved from computer files.

**8. Word Processor Operator:**

- Employees shall be proficient in working with a variety of word processing software such as Word and WordPerfect, and possess at least intermediate level typing skills.
- Produce reports upon request by retrieving and printing data from computer files.
- The ability to use word processors and related software applications to produce letters, memoranda, brochures, charts, graphs, forms, and other material.

**9. Executive Secretary:**

- Executive Secretarial assignments for professional or management staff in support of the on-going operations of the office.
- Skillfully operate word processing equipment and personal computers to produce a variety of documents, charts, and graphs in final form.
- Must have knowledge of software programs such as Microsoft Word, WordPerfect, Excel, Access, Lotus, FoxPro, and PowerPoint, or knowledge of current computer environments (i.e. Windows, etc.).
- Schedule meetings; prepare and maintain office records, reports, and correspondence as directed.
- Compose, format letters, and edit correspondence related to issues of the work area.
- Compose letters and memoranda in response to incoming mail or telephone calls.
- Type letters, memoranda, reports, minutes of meetings, scientific or technical material, numerical data, charts and forms from verbal or written instructions, dictating records, shorthand notes or other materials.
- Schedule and arrange meetings and conferences and notify interested parties.
- Prepare agenda and collect materials for meetings, speeches, and conferences; take minutes and keep records of proceedings as required.
- Prepare minutes of meetings from notes and/or recordings.
- Make domestic and foreign travel arrangements; prepare itineraries; prepare and compile travel vouchers, maintain all travel records. Establish and maintain various filing and records management systems. Review, proofread, and edit documents prepared for the administrator's or executive's signature.
- Sort, open and distribute incoming mail to staff.
- Receive and screen incoming calls and visitors, and make referrals to appropriate executive staff.
- Establish and maintain records, statistical information, and reports as well as various filing and records management systems.

**10. Accounting Technician:**

- Provide general assistance and support to senior licensed accounting staff.
- Review completeness and ensure proper controls in accordance with generally accepted accounting practices.
- Provide information on financial aspects of state programs to local government agencies, including monitoring revenues, expenditures, budgeting, and reporting requirements.
- Review and analyze journal vouchers and formal accounting records in accordance with accounting practices and procedures.
- Reconcile control records of such financial transactions as revenues, expenditures, allotments, receipts, assets, encumbrances, and bank transactions.
- Process applications for grants and reimbursement of funds by reviewing and verifying supporting documents.

**11. Departmental Technician:**

- Conduct special studies and surveys in such areas as feasibility of offering new services, improvement of efficiency, economy and centralization or decentralization of services.
- Write and revise procedures to accommodate changes and to ensure consistency in form and format.
- Review and evaluate documents, such as incorporation papers, insurance policies, teachers' certificates, contracts, bonds, deeds, leases and permits to determine if prescribed requirements or qualifications are met; certifies as to the eligibility of persons or the acceptance of documents.
- Conduct interviews by telephone to follow up on complaints, and determine need for further review.
- Compile, review, and monitor financial, statistical and other programmatic data.
- Prepare and/or edit reports and publications, with latitude as to the material to be included; conduct related correspondence.
- Use computer databases to record and analyze data on program and service activities.

**12. Legal Personnel – Not Attorneys:**

- Interpret statutes and legislative proposals and their ramifications to inform, update or advise departmental and outside personnel.
- Must have knowledge of personal computers, hardware, software, and related applications and systems.
- Knowledge of legal terminology and syntax, and of the content, organization, and format of legal documents and correspondence.
- Interpret existing and proposed laws, policies and procedures.
- Operate keyboard equipment such as typewriters, word processors, and personal computers to process information, docket cases, record notices of hearings or postponements, correspondence, reports, and other data.
- Produce legal documents such as pleadings, briefs, opinions, complaints, administrative decisions, orders, and subpoenas from verbal or written instructions, dictation, shorthand notes, rough drafts, or other materials.
- Perform office activities for attorneys or administrative law examiners, performing a variety of legal secretarial duties such as scheduling hearings, preparing legal documents and correspondence, docketing cases and maintaining court dockets and diaries.

**13. Analyst**

- The Analyst will be responsible to complete or oversee a variety of professional research and analysis assignments for the purpose of evaluation, assessment, planning, development and implementation of various departmental programs or services.
- The analyst class will consist of perform professional services in the following classification areas: Accountant, Auditor, Departmental Analyst, and Financial Analyst.
- Researches, collects, consolidates, and analyzes and maintains program data necessary to meet program reporting and evaluation requirements, and the goals of the agency program or service.
- Establishes, administers and evaluates programs, recommends program policies and procedures.
- Designs forms and evaluates documents and applications for possible inclusion in programs
- Designs and conducts surveys or special studies to assist in planning, implementing, and evaluating programs and services.
- Conducts research and analysis, prepares reports and conducts correspondence related to the work activities of the departmental program area.
- Interprets existing and proposed laws, policies, and procedures as they relate to a program or service area.
- Proposes and develops new policy materials and supporting instructions in a program area.
- Designs, implements and documents personal computer based data collection, processing and reporting systems.
- Uses and maintains computer databases to record and analyze data on program and service activities.
- Evaluates contracts documents for compliance with departmental policies and procedures.
- Recommends criteria, standards, and guidelines to assess agencies programs and determines their compatibility with the objectives and priorities of the state program area.

**14. Buyer:**

- Complete or oversee a variety of professional research and analysis assignments for the purpose of evaluation, assessment, planning, development and implementation.
- Conduct research and analysis, prepare reports and conduct correspondence related to the work activities of the departmental program area.
- Make general recommendations in areas of expertise.
- Propose and develop new policy materials and supporting instructions in area of expertise.
- Use and maintain computer databases to record and analyze data.
- Evaluate contracts and documents for compliance with departmental policies and procedures.



## 15. Specialist

- The specialist class will consist of perform professional services in the following classification areas: Accounting Specialist, Departmental Specialist, and Financial Specialist.
- Designs and conducts surveys or special studies to determine needs and to assist in planning, implementing and evaluating programs, consolidates data and prepares reports.
- Conducts special projects and studies.
- Establishes, oversees, administers and evaluates programs, recommends program policies and procedures and designs forms.
- Collects and maintains program data necessary to meet program reporting and evaluates requirements, and the goals of the agency.
- Analyzes ongoing program operations and recommends modifications of policies and procedures to meet commitments more effectively.
- Recommends criteria, standards and guidelines to assess agencies programs.
- Structures and determines their compatibility with the objectives and priorities of the state.
- Interprets existing and proposed laws, policies and procedures.
- Designs and implements methods for program review, evaluation and cost analysis.
- Formulates procedures, policies and guidelines for assigned departmental programs.
- Makes recommendations in areas of expertise.
- Develops program goals and plans for implementation.
- Prepares budgets for an office, section or division.



## Appendix B.1

### State Regions – Contract #071B6200144

For the purposes of this contract, the Regions within the State of Michigan shall be defined in accordance with the provisions of ITB #071I6200034 as follows.

The pricing grid included as Appendix B of this contract provides eleven (11) distinct price-points are defined across all labor categories for either the specific Counties or Regions, groups of counties, within which services shall be provided.

The **Northern Region** in whole is comprised of the forty-three counties listed in Table 1 below; which are considered in aggregate form as a single price-point.

**Table 1: Northern Region**

1. Alcona	12. Crawford	23. Kalkaska	34. Mont-Morency
2. Alger	13. Delta	24. Keweenaw	35. Ogemaw
3. Alpena	14. Dickinson	25. Lake	36. Ontonagon
4. Antrim	15. Emmet	26. Leelanau	37. Osceola
5. Arenac	16. Gladwin	27. Luce	38. Oscoda
6. Baraga	17. Gogebic	28. Mackinac	39. Ostego
7. Benzie	18. Grand Traverse	29. Manistee	40. Presque Isle
8. Charlevoix	19. Gratiot	30. Marquette	41. Roscommon
9. Cheboygan	20. Houghton	31. Mason	42. Schoolcraft
10. Chippewa	21. Iosco	32. Menominee	43. Wexford
11. Clare	22. Iron	33. Missaukee	

The **Central/Western Region** in whole is comprised of six (6) distinct price-points; the five specific counties listed in the Pricing Grid plus the twenty-two counties listed in Table 2 below which shall be considered in aggregate form as a single price-point.

**Table 2: Central/Western Region**

1. Allegan	8. Clinton	13. Mecosta	18. Oceana
2. Barry	9. Hillsdale	14. Midland	19. Ottawa
3. Bay	10. Ionia	15. Montcalm	20. Shiawassee
4. Berrien	11. Isabella	16. Muskegon	21. St. Joseph
5. Branch	12. Jackson	17. Newaygo	22. Van Buren
6. Calhoun			
7. Cass			

The **Southeastern Region** is comprised of four (4) distinct price-points; the three specific counties listed in the pricing grid plus the ten counties listed in Table 3 below which shall be considered in aggregate form as a single price point.

**Table 3: Southeastern Region**

1. Huron	6. Monroe
2. Lapeer	7. Oakland
3. Lenawee	8. Sanilac
4. Livingston	9. St. Clair
5. Macomb	10. Tuscola



**Appendix B.2  
Pricing – Contract #071B6200144**

**Table 1: Fiscal Year 2006 Proposed Billing Rates<sup>(1)</sup> – ITB No.: 071I6200034**

County / Region <sup>(1)</sup>		(1.) Skilled Worker	(2.) Book-keeper	(3.) Calculations Assistant	(4.) Communications Assistant	(5.) Data Coding Operator	(6.) General Office Assistant	(7.) Secretary	(8.) Word Processing Operator	(9.) Executive Secretary	(10.) Accounting Technician	(11.) Departmental Technician	(12.) Legal Personnel	(13.) Analyst	(14.) Buyer	(15.) Specialist
1.	Northern	\$9.70	\$10.99	\$10.69	\$9.70	\$9.70	\$9.70	\$10.99	\$10.30	\$12.77	\$12.77	\$15.44	\$15.44	\$21.98	\$20.59	\$27.92
2.	Central/Western	\$9.70	\$10.99	\$10.69	\$10.30	\$10.30	\$10.30	\$11.39	\$10.69	\$12.97	\$13.37	\$14.55	\$14.55	\$21.58	\$20.59	\$24.26
3.	Eaton	\$9.60	\$10.20	\$10.20	\$10.20	\$10.20	\$10.20	\$10.20	\$10.79	\$11.39	\$13.27	\$14.06	\$14.06	\$19.40	\$19.40	\$24.26
4.	Ingham	\$9.60	\$9.90	\$9.90	\$9.90	\$9.90	\$9.90	\$9.90	\$9.90	\$11.39	\$13.27	\$14.06	\$14.45	\$19.40	\$19.40	\$23.76
5.	Kalamazoo	\$10.20	\$10.30	\$10.30	\$10.30	\$10.30	\$10.30	\$10.30	\$11.39	\$11.58	\$14.06	\$14.55	\$14.55	\$20.59	\$20.59	\$24.26
6.	Kent	\$9.70	\$11.98	\$10.99	\$10.99	\$10.69	\$10.69	\$10.30	\$10.99	\$11.58	\$13.37	\$12.97	\$14.55	\$19.40	\$19.40	\$24.26
7.	Saginaw	\$8.81	\$11.39	\$11.39	\$11.39	\$11.39	\$10.99	\$10.30	\$10.99	\$11.58	\$14.45	\$15.74	\$17.03	\$19.40	\$19.40	\$24.26
8.	Southeastern	\$9.70	\$12.77	\$12.77	\$11.39	\$11.39	\$10.99	\$12.18	\$11.58	\$15.25	\$14.65	\$15.74	\$17.03	\$20.59	\$19.40	\$24.26
9.	Genesee	\$9.70	\$11.39	\$11.39	\$11.39	\$10.99	\$10.99	\$11.39	\$10.99	\$13.27	\$13.37	\$15.74	\$17.03	\$19.40	\$19.40	\$24.26
10.	Washtenaw	\$9.70	\$11.98	\$11.98	\$11.39	\$11.39	\$10.99	\$11.98	\$10.99	\$14.45	\$14.45	\$15.74	\$17.03	\$19.40	\$19.40	\$24.26
11.	Wayne	\$9.70	\$11.39	\$11.39	\$11.39	\$11.39	\$10.99	\$11.39	\$10.99	\$14.45	\$12.77	\$15.74	\$17.03	\$19.40	\$19.40	\$23.76

**Notes:**

(1.) Bill rates reflect a vendor offered discount of 1.0% for fiscal year 2006. These rates shall be effective through the end of Fiscal Year 2006.



**Table 2: Base Contract Proposed Billing Rates<sup>(2)</sup> – ITB No.: 071I6200034**

County / Region <sup>(1)</sup>		(1.) Skilled Worker	(2.) Book-keeper	(3.) Calculations Assistant	(4.) Communications Assistant	(5.) Data Coding Operator	(6.) General Office Assistant	(7.) Secretary	(8.) Word Processing Operator	(9.) Executive Secretary	(10.) Accounting Technician	(11.) Departmental Technician	(12.) Legal Personnel	(13.) Analyst	(14.) Buyer	(15.) Specialist
1.	Northern	\$9.80	\$11.10	\$10.80	\$9.80	\$9.80	\$9.80	\$11.10	\$10.40	\$12.90	\$12.90	\$15.60	\$15.60	\$22.20	\$20.80	\$28.20
2.	Central/Western	\$9.80	\$11.10	\$10.80	\$10.40	\$10.40	\$10.40	\$11.50	\$10.80	\$13.10	\$13.50	\$14.70	\$14.70	\$21.80	\$20.80	\$24.50
3.	Eaton	\$9.70	\$10.30	\$10.30	\$10.30	\$10.30	\$10.30	\$10.30	\$10.90	\$11.50	\$13.40	\$14.20	\$14.20	\$19.60	\$19.60	\$24.50
4.	Ingham	\$9.70	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$11.50	\$13.40	\$14.20	\$14.60	\$19.60	\$19.60	\$24.00
5.	Kalamazoo	\$10.30	\$10.40	\$10.40	\$10.40	\$10.40	\$10.40	\$10.40	\$11.50	\$11.70	\$14.20	\$14.70	\$14.70	\$20.80	\$20.80	\$24.50
6.	Kent	\$9.80	\$12.10	\$11.10	\$11.10	\$10.80	\$10.80	\$10.40	\$11.10	\$11.70	\$13.50	\$13.10	\$14.70	\$19.60	\$19.60	\$24.50
7.	Saginaw	\$8.90	\$11.50	\$11.50	\$11.50	\$11.50	\$11.10	\$10.40	\$11.10	\$11.70	\$14.60	\$15.90	\$17.20	\$19.60	\$19.60	\$24.50
8.	Southeastern	\$9.80	\$12.90	\$12.90	\$11.50	\$11.50	\$11.10	\$12.30	\$11.70	\$15.40	\$14.80	\$15.90	\$17.20	\$20.80	\$19.60	\$24.50
9.	Genesee	\$9.80	\$11.50	\$11.50	\$11.50	\$11.10	\$11.10	\$11.50	\$11.10	\$13.40	\$13.50	\$15.90	\$17.20	\$19.60	\$19.60	\$24.50
10.	Washtenaw	\$9.80	\$12.10	\$12.10	\$11.50	\$11.50	\$11.10	\$12.10	\$11.10	\$14.60	\$14.60	\$15.90	\$17.20	\$19.60	\$19.60	\$24.50
11.	Wayne	\$9.80	\$11.50	\$11.50	\$11.50	\$11.50	\$11.10	\$11.50	\$11.10	\$14.60	\$12.90	\$15.90	\$17.20	\$19.60	\$19.60	\$24.00

**Notes:**

(2.) Bill rates are base bill rates; no base rate adjustments were offered beyond the end of FY 06. These rates shall become effective at beginning of Fiscal Year 2007.



**Appendix C – Contract No. 071B6200144**

**CAREER QUEST – TECHNICAL PROPOSAL (Excerpts Only)**

**1.001 Project Request**

Career Quest intends to bid on this ITB with The Michigan Department of Management and Budget and will provide cost-efficient Temporary Employee Services to the State of Michigan.

**1.002 Background**

Career Quest understands that this bid is for 83 geographic locations throughout the State of Michigan and has read over the 20 positions that are listed in the ITB.

**1.101 In Scope**

Career Quest has read over the 20 positions listed in the ITB and are prepared to supply these staff person to the State of Michigan.

**1.201 CONTRACTOR STAFF, ROLES AND RESPONSIBILITIES**

- a. Career Quest will provide temporary personnel service to State agencies in all 83 counties.
- b. Career Quest will provide temporary personnel service, Monday through Friday, 7:00 a.m. to 5:00 p.m., as needed by Statewide agencies. Occasionally, the State may require a temporary to work second or third shift or on official State Holidays, Career Quest will provide these individuals.
- c. Career Quest will provide those services requested based on their ability to conform to the job duties specified in Section 1.104.
- d. Career Quest will provide services on an as needed, if needed basis. The exact timing and scheduling of the Career Quests services will be between the State agency's coordinator and the placement coordinator at the time of need.
- e. Career Quest will explicitly advise all employees that the State is NOT their employer. All personnel provided by Career Quest will be subject to the rules, regulations, and policies of the State, as well as the State Agency.
- f. Career Quest will notify and provide services within 24 hours to the State Agency. If orders cannot be filled by the contractor within 24 hours, Career Quest must notify the State Agency within that period of time. The requesting Agency reserves the right to procure temporary services from the State's alternative vendor(s).
- g. Career Quest will provide qualified temporary employees to the State. If there are two consecutive failures by Career Quest to fill a position, the requesting Agency reserves the



right to procure temporary services from the State's alternative vendor(s).

h. Career Quest will compensate the temporary employee at the Hourly rates specified by their Price Proposal. Career Quest will not charge their employees a fee for employment Placement. Career Quest will also state in the proposal as to what employee benefits are provided to the employee (i.e. Health Insurance. Paid holidays, sick leave, Paid vacations 401K). Note: Career Quests "Mark up" must cover expenses, including but not limited to, employee benefits, unemployment insurance, liability insurance and other similar expenses.

i. **Overtime** Career Quest will compensate the temporary employee at a rate of 1-½ times the contracted rate when that employee completes more than 40 hours in a week. However, the contractor must advise each employee of the State policy that no overtime shall be paid out prior authorization from the authorized State Agency coordinator. Career Quest must obtain prior approval on all overtime situations.

j. At completion of the temporary assignment, Career Quest will provide an evaluation form to the work site coordinator, to be completed by the temporary employee's supervisor and return to the temporary employment agency.

k. Career Quest will obtain a Purchase order number from the requesting agency prior to filling any order.

l. Career Quest will replace all employees found to perform unsatisfactorily within 12 hours of notification. Records shall be kept per employee regarding such requests for replacement and the employee shall not be sent to service the State if two valid complaints are filed per employee.

m. Career Quest will provide continuous skill training for all employees.

n. Career Quest will place an "arrival phone call" to the supervisor the first day of an employee's placement at the worksite. The contractor shall also place follow up calls to the State Agency to find out how the employee is performing at the worksite.

o. Career Quest will be responsible for complete compliance with the American Disability Act.

p. The Temporaries assigned to the State of Michigan are on a "No Work, No Pay" basis.



q. If travel is required, the temporary employee will be reimbursed at the current State Travel rates. Temporaries are not allowed to drive State Vehicles.

r. If situations demand, under special circumstances, the State reserves the right to interview temporaries, prior to placement.

s. Career Quest will perform "Reference Checks" and "Criminal History Background" checks if needed.

#### **1.401 Issue Management**

If an issue is to come arise and it is between the hours of 8am-5pm, M-F, please call 517-318-3330 and ask for Carl Valentino. He can be reached otherwise on his cell phone at 517-881-4122 and his e-mail address is [cvalentino@careerquest1.com](mailto:cvalentino@careerquest1.com). The backup contact will be Paul Jaques who can be reached at 517-318-3330 between the hours of 8am-5pm, M-F, and after hours at 517-256-9285, e-mail [pjaques@careerquest1.com](mailto:pjaques@careerquest1.com). If this is a medical emergency, rush to the local hospital and contact Career Quest.

#### **1.402 Risk Management**

The Career Quest project managers are in constant contact with the managers with The State of Michigan and are always identifying possible risks and taking care of them.

If a risk is to come arise and it is between the hours of 8am-5pm, M-F, please call 517-318-3330 and ask for Carl Valentino. He can be reached otherwise on his cell phone at 517-881-4122 and his e-mail address is [cvalentino@careerquest1.com](mailto:cvalentino@careerquest1.com). The backup contact will be Paul Jaques who can be reached at 517-318-3330 between the hours of 8am-5pm, M-F, and after hours at 517-256-9285, e-mail [pjaques@careerquest1.com](mailto:pjaques@careerquest1.com).

#### **1.403 Change Management**

Career Quest understands that there may be changes from time to time to the ITB and have experience in these changes. When there is an increased need we put more time and effort into working for the State to get these positions filled in a timely manner and with a qualified candidate. When the needs are decreased we beef up our recruiting efforts and add to our pool of employees to be ready for when the State will have a larger need of employees.

#### **1.501 Criteria**

Career Quest understands that the agency project manager must approve the services in writing to the contractor within two weeks from the date of submittal.

#### **1.502 Final Acceptance**

Career Quest understands that the State of Michigan has the right to determine if the services are acceptable and the specified requirements are complete.



### **1.601 Compensation and Payment**

Career Quest understands that they need to submit monthly bills itemizing activities and hours spent if the ITB is rewarded to them.

### **1B.202 Staffing**

The project manager for this contract will be Carl Valentino. Mr. Valentino is the COO for Career Quest where he supervises 10-12 employees and handles all contracts including our current contract with The State of Michigan, which is a \$32 million dollar temporary employee office/clerical contract. Mr. Valentino will spend 50% of his time on this contract. Mr. Valentino has a Masters Degree and has been with Career Quest since 1999.

Paul Jaques will be another key personnel on this contract. Mr. Jaques is a placement coordinator at Career Quest and has excessive experience in recruiting, interviewing, and screening individuals for various projects. He has great experience in working with the current State of Michigan contract, along with many others. Mr. Jaques will spend 50% of his time on this project. Mr. Jaques has a Bachelors of Science Degree in Public Relations and has been with Career Quest since 2002.



Sue Quimby will be another key personnel on this contract. Mrs. Quimby is a placement coordinator with Career Quest and has excellent skills in recruiting and placing professional individuals in various companies in the Lansing area including the current State of Michigan contract. She will spend 25% of her time on this contract.

**1B.203 Past Performance**

State of Michigan Temporary Employee Services  
Contract #071B2001242

State of Michigan FIA project

Michigan Department of Corrections