

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 5, 2009

CHANGE NOTICE NO. 8
TO
CONTRACT NO. 071B6200321
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE (517) 372-0784 Frances Sibley or Missy Beach	
Michigan AFL-CIO Human Resources Development Inc. 419 South Washington Square, Suite 300 Lansing, MI 48933 sibleyf@voyager.net			
		BUYER/CA (517) 373-8622 Malynda Little	
Contract Compliance Inspector: Gary Clark (517) 241-2729 ClarkG1@michigan.gov Dislocated Worker Services – Department of Labor and Economic Growth			
CONTRACT PERIOD:		From: July 1, 2006	To: June 30, 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 May 1, 2009, this Contract is hereby –

- **REVISED** to reflect the budget line-item transfers; with the
- **Total, cumulative maximum REMAINING \$2,098,024.00; and**
- **Ending date REMAINING June 30, 2009.**

All other terms, conditions, specifications, and pricing also remain unchanged.

AUTHORITY/REASON:

- **Per DLEG request dated 04/23/09**
- **DMB approval dated 04/28/08**
- **Vendor agreement and revised budget dated 04/23/09.**

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$4,800,000.00.

**Contract 071B6200321
DLEG – BWP and Human Resources Development Inc.**

PROGRAM AREA Rapid Response - Workforce Investment Act (WIA) Funding Source(s):	Change Notice (CN) # 08 – LINE ITEM TRANSFER State Fiscal Years (FY's) 2008 and 2009 CONTRACT / PROGRAM YEAR # 03			
	Estimated Combined Budget for Contract Years # 01 (ending 06/30/07) and # 02 (ending 06/30/08)	Actual <i>Not Expended from</i> Contract Year # 02 (ending 06/30/08)	<i>Increase</i> allocated to pay for Contract Year # 03 FY's 2008-2009	Total Program Budget for Contract Year # 03 07/01/08 – 06/30/09
(01) Dislocated Worker (DW)	\$ 2,128,000	\$ 52,909.00	\$ 1,300,000	\$ 852,909
(02) Peer-to-Peer (PP)	\$ 672,000	\$ 45,115.00	\$ 700,000	\$ 1,245,115
DLEG Approved Total (s):	\$ 2,800,000	\$ 98,024.00	\$ 2,000,000	\$ 2,098,024

CUMULATIVE CONTRACT TOTAL: \$ 4,800,000.00

CN # 08 (State FY-2008 and FY-2009) Contract Year # 03										
BUDGET OF DIRECT COSTS:										
<i>Service Description</i>	<i>Fund Source</i>	State FY 2008:			State FY 2009:				Subtotal of <i>Increase</i> from CN # 07 and CN # 08 (FY's 08-09)	TOTAL Budget for Contract Yr # 03
		<i>Not Expended</i> Contract Yr # 02	(CNs # 07 & #08) 07/01/08 to 09/30/08 1 st Qtr – Yr # 03	Sub-Total FY 2008 (during 1 st Qtr- Yr # 03)	(CNs # 07 & # 08) 10/01/08 to 12/31/08 2 nd Qtr – Yr # 03	(CNs # 07 & # 08) 01/01/09 to 03/31/09 3 rd Qtr – Yr # 03	(CNs # 07 & # 08) 04/01/09 to 06/30/09 4 th Qtr – Yr # 03	Sub-Total FY 2009 (during Contract Yr # 03)		
(a) Core Services	PP	\$ 45,115	\$ 32,198	\$ 77,313	\$ 243,729	\$ 380,734	\$ 543,339	\$ 1,167,802	\$ 1,200,000	\$ 1,245,115
(b) Core Services	DW	\$ 38,420	\$ 21,413	\$ 59,833	\$ 46,623	\$ 53,254	\$ 91,844	\$ 191,721	\$ 213,134	\$ 251,554
(c) Intensive Services	DW	\$ 2,824	\$ 29,598	\$ 32,422	\$ 51,507	\$ 62,206	\$ 109,489	\$ 223,202	\$ 252,800	\$ 255,624
(d) Training Services (e.g., OJT & Classroom Training)	DW	\$ 11,665	\$ 39,964	\$ 51,629	\$ 51,638	\$ 97,498	\$ 132,971	\$ 282,107	\$ 322,071	\$ 333,736
(e) Supportive Services (e.g., Specific Assistance; travel; training; etc.)	DW	\$ -0-	\$ 1,995	\$ 1,995	\$ 2,000	\$ 3,000	\$ 5,000	\$ 10,000	\$ 11,995	\$ 11,995
TOTALS:		\$ 98,024	\$ 310,170	\$ 223,192	\$ 395,497	\$ 596,692	\$ 882,643	\$1,874,832	\$2,000,000	\$ 2,098,024

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

September 15, 2008

CHANGE NOTICE NO. 7
TO
CONTRACT NO. 071B6200321
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE (517) 372-0784	
Michigan AFL-CIO Human Resources Development Inc. 419 South Washington Square, Suite 300 Lansing, MI 48933		Frances Sibley or Missy Beach	
		BUYER/CA (517) 373-8622	
sibleyf@voyager.net		Malynda Little	
Contract Compliance Inspector: Gary Clark (517) 241-2729 ClarkG1@michigan.gov Dislocated Worker Services – Department of Labor and Economic Growth			
CONTRACT PERIOD:		From: July 1, 2006	To: June 30, 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 August 31, 2008, this Contract is hereby:

- (1) **EXTENDED** through June 30, 2009, pursuant to the Contract §2.033, exercising renewal option 02 of 02 options;
- (2) **INCREASED** by \$2,000,000.00, pursuant to the attached Budget (in addition to \$98,024.00 carry-over from Contract Year 02), to be expended from 07/01/2008 through 06/30/2009.

All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

- Per DLEG request dated 07/02/08
- DMB approval dated 07/02/08
- Vendor agreement and revised budget dated 08/18/08, and
- State Administrative Board review and approval on 09/12/08.

REVISED CURRENT AUTHORIZED SPEND LIMIT: \$4,800,000.00

**Contract 071B6200321
DLEG – BWP and Human Resources Development Inc.**

**Change Notice (CN) # 07
State Fiscal Years (FY's) 2008 and 2009
CONTRACT / PROGRAM YEAR # 03**

PROGRAM AREA Rapid Response - Workforce Investment Act (WIA) Funding Source(s):	Estimated Combined Budget for Contract Years # 01 (ending 06/30/07) and # 02 (ending 06/30/08)	Actual <i>Not Expended from</i> Contract Year # 02 (ending 06/30/08)	<i>Increase</i> allocated to pay for Contract Year # 03 FY's 2008-2009	Total Program <i>Budget for</i> Contract Year # 03 07/01/08 – 06/30/09
(01) Dislocated Worker (DW)	\$ 2,128,000	\$ 52,909.00	\$ 1,300,000	\$ 1,352,909
(02) Peer-to-Peer (PP)	\$ 672,000	\$ 45,115.00	\$ 700,000	\$ 745,115
DLEG Approved Total (s):	\$ 2,800,000	\$ 98,024.00	\$ 2,000,000	\$ 2,098,024

CUMULATIVE CONTRACT TOTAL: \$ 4,800,000.00

**CN # 07 (State FY-2008 and FY-2009) Contract Year # 03
ESTIMATED BUDGET OF DIRECT COSTS:**

<i>Service Description</i>	<i>Fund Source</i>	State FY 2008:			State FY 2009:				<i>Subtotal of Increase from CN # 07 (FY's 08-09)</i>	<i>TOTAL Budget for Contract Yr # 03</i>
		<i>Not Expended Contract Yr # 02</i>	<i>(CN # 07) 07/01/08 to 09/30/08 1st Qtr – Yr # 03</i>	<i>Sub-Total FY 2008 (during 1st Qtr- Yr # 03)</i>	<i>(CN # 07) 10/01/08 to 12/31/08 2nd Qtr – Yr # 03</i>	<i>(CN # 07) 01/01/09 to 03/31/09 3rd Qtr – Yr # 03</i>	<i>(CN # 07) 04/01/09 to 06/30/09 4th Qtr – Yr # 03</i>	<i>Sub-Total FY 2009 (during Contract Yr # 03)</i>		
(a) Core Services	PP	\$ 45,115	\$ 85,658	\$ 130,773	\$ 205,118	\$ 206,420	\$ 202,804	\$ 614,342	\$ 700,000	\$ 745,115
(b) Core Services	DW	\$ 38,420	\$ 53,842	\$ 92,262	\$ 128,932	\$ 129,750	\$ 127,476	\$ 386,158	\$ 440,000	\$ 478,420
(c) Intensive Services	DW	\$ 2,824	\$ 71,920	\$ 74,744	\$ 82,725	\$ 82,840	\$ 82,515	\$ 248,080	\$ 320,000	\$ 322,824
(d) Training Services (e.g., OJT & Classroom Training)	DW	\$ 11,665	\$ 88,750	\$ 100,415	\$ 125,000	\$ 125,000	\$ 161,250	\$ 411,250	\$ 500,000	\$ 511,665
(e) Supportive Services (e.g., Specific Assistance; travel; training; etc.)	DW	\$ -0-	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 30,000	\$ 40,000	\$ 40,000
TOTALS:		\$ 98,024	\$ 310,170	\$ 408,194	\$ 551,775	\$ 544,010	\$ 584,045	\$ 1,689,830	\$2,000,000	\$ 2,098,024

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

July 2, 2008

CHANGE NOTICE NO. 6
TO
CONTRACT NO. 071B6200321
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE (517) 372-0784	
Michigan AFL-CIO Human Resources Development Inc. 419 South Washington Square, Suite 300 Lansing, MI 48933		Frances Sibley	
		BUYER/CA (517) 373-8622	
sibleyf@voyager.net		Malynda Little	
Contract Compliance Inspector: Gary Clark Dislocated Worker Services – Department of Labor and Economic Growth			
CONTRACT PERIOD:		From: July 1, 2006 To: August 31, 2008	
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 July 1, 2008, this Contract is hereby EXTENDED through August 31, 2008, to allow review and analysis of final program reports, and conclusion of State's approval process to exercise a renewal option. NOTE: The DMB Buyer for this Contract is changed to Malynda Little (517) 373-8622. All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per DLEG request on 06/24/08, Vendor agreement on 05/30/08, and DMB/Purchasing Operations' approval on 07/01/08.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$2,800,000.00

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

March 27, 2008

CHANGE NOTICE NO. 5
TO
CONTRACT NO. 071B6200321
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE (517) 372-0784	
Michigan AFL-CIO Human Resources Development Inc. 419 South Washington Square, Suite 300 Lansing, MI 48933 sibleyf@voyager.net		Frances Sibley	
		BUYER/CA (517) 373-1080 Melissa Castro	
Contract Compliance Inspector: Gary Clark Dislocated Worker Services – Department of Labor and Economic Growth			
CONTRACT PERIOD:		From: July 1, 2006	To: June 30, 2008
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, the attached revised pricing matrix is hereby incorporated into this Contract. All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per agency request and DMB/Purchasing Operations' approval.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$2,800,000.00

PROGRAM ACTIVITY.

<input type="checkbox"/> CORE SERVICES (REGULAR)	<input checked="" type="checkbox"/> CORE SERVICES (REGISTERED PARTICIPANTS)
<input checked="" type="checkbox"/> INTENSIVE SERVICES	<input checked="" type="checkbox"/> TRAINING SERVICES
<input checked="" type="checkbox"/> NEEDS RELATED PAYMENTS/SUPPORT SERVICES	

PLANNED EXPENDITURES

COST CATEGORIES	WIA	Peer to Peer	TOTALS
1. CORE SERVICES (Self-Assisted)			
2. CORE SERVICES (Registered participants/Staff-assisted)	\$220,000	\$560,000	\$780,000
3. INTENSIVE SERVICES	\$160,000	\$40,000	\$200,000
4. TRAINING SERVICES	\$410,000		\$410,000
5. SUPPORTIVE SERVICES/ NEEDS RELATED PAYMENTS	\$10,000		\$10,000
6. TOTAL	\$800,000	\$600,000	\$1,400,000

CUMULATIVE EXPENDITURES BY QUARTER AND PROGRAM CATEGORIES

CUMULATIVE QUARTERS	(2) CORE SERVICES (Regular)	(3) CORE SERVICES (Registered Participants)	(4) INTENSIVE SERVICES	(5) TRAINING	(6) SUPPORT SERVICES/ NEEDS RELATED PAYMENTS	(7) TOTAL
07/01/06 TO 09/30/06	0	\$70,995	\$44,950	\$108,275	\$2,500	\$226,720
07/01/06 TO 12/31/06	0	\$240,945	\$96,650	\$160,775	\$5,000	\$503,370
07/01/06 TO 03/31/07	0	\$520,000	\$148,425	\$245,000	\$7,500	\$920,925
07/01/06 TO 06/30/07	0	\$780,000	\$200,000	\$410,000	\$10,000	\$1,400,000

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 13, 2007

CHANGE NOTICE NO. 4
TO
CONTRACT NO. 071B6200321
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE (517) 372-0784	
Michigan AFL-CIO Human Resources Development Inc. 419 South Washington Square, Suite 300 Lansing, MI 48933 sibleyf@voyager.net		Frances Sibley	
		BUYER/CA (517) 373-1080	
Contract Compliance Inspector: Gary Clark		Melissa Castro	
Dislocated Worker Services – Department of Labor and Economic Growth			
CONTRACT PERIOD:		From: July 1, 2006 To: June 30, 2008	
TERMS	N/A	SHIPMENT	N/A
F.O.B.	N/A	SHIPPED FROM	N/A
MINIMUM DELIVERY REQUIREMENTS		N/A	

NATURE OF CHANGE (S):

Effective immediately, this Contract is hereby INCREASED by \$1,400,000.00. A Statement of Work Program Year 2007-2008 is attached herewith. All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per request of the DLEG (PRF dated 5/24/07) and Ad Board approval on August 7, 2007.

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$2,800,000.00

June 13, 2007

Mr. Andrew Levin
Deputy Director
State of Michigan Department of Labor and Economic Growth
611 West Ottawa Street
P.O. Box 30004
Lansing, MI. 48909

Dear Deputy Director Levin,

Re: Statement of Work Program Year 2007-2008 Contract # 071B6200321
Attached: Program Year 2007 Budget

The Michigan AFL-CIO Human Resources Development, Inc. (HRDI) program proposed herein will deliver Peer, Core, Intensive and Training Services for dislocated workers. To be eligible for services, dislocated workers must meet Workforce Investment Act (WIA) eligibility criteria.

HRDI's proposed sequence of Peer, Core, and Intensive Services for dislocated workers will be provided in order to support the No Worker Left Behind Initiative. Additionally, these services will be provided where they may not otherwise be available to dislocated workers due to local income and residency eligibility requirements, training caps, funding shortages and other opportunities to enhance the services provided by the Michigan Works! Agencies (MWAs). The activities include:

- Program orientation and eligibility determination;
- Comprehensive or specialized assessments;
- Development of an Individual Service Strategy;
- Employment and career counseling;
- Pre-vocational services (such as assistance with employability, and personal management skills);
- Case management;
- Job search assistance; and
- Job development and placement.

In cases where Peer Services are provided, HRDI will train and work with current and former company employees to provide information, answer questions and act as a friendly and familiar source for advising of the reemployment and training services available to dislocated workers.

For employer customers, Michigan HRDI will provide Intensive Services that include customized recruitment, screening and referral of dislocated workers, assessment and testing assistance for employers who are hiring new workers, and outplacement services for employers who are laying off workers.

For dislocated workers who cannot achieve their employment goals through Core and Intensive Services, Michigan HRDI will provide Training Services, including basic skills training, GED preparation, classroom occupational skills training (through individual training accounts), on-the-job training or enrollment in customized training. Classroom training will be in occupations identified as high demand by the Department of Labor & Economic Growth (DLEG) Bureau of Labor Market Information & Strategic Initiatives (BLMISI) and will be provided through education and training programs included on the DLEG Career Education Consumer Report. Training services available to employers include on-the-job training and customized training programs.

Through this combination of WIA services to dislocated workers and employers, Michigan HRDI proposes to achieve outcomes at reasonable costs. HRDI proposes to exceed WIA performance standards for:

- Entered employment rate (94%);
- Six-month retention rate (92%);
- Credential rate (82%);
- Average replacement wage (\$13,000.00);
- Dislocated worker customer satisfaction rate (91%); and
- Employer customer satisfaction rate (86%).

Specifically, Michigan HRDI proposes to, at a minimum, enroll 417 dislocated workers, terminate 375, place 353 (94 %) and retain 325 (92%) in employment six months after placement. All of these performance levels are consistent with HRDI's past performance and proposed WIA performance standards for Program Year 2007.

Michigan HRDI has contracted with the State of Michigan to provide employment and training services to dislocated workers and employers for over 20 program years, including the first seven program years of WIA. HRDI has collaborated with several Michigan Works Agencies, Community Colleges, and ES/Core Services providers, using jointly developed partnership agreements that meet Service Center policies, procedures and documentation, to manage applicant and participant flow between ES/Core services and Intensive/Training Services. Cooperative partnerships include, but are not limited to:

- Area Community Service Employment and Training Council;
- Calhoun Intermediate School District;
- Capital Area Michigan Works!;
- Central Area Michigan Works! Consortium;
- Kalamazoo – St. Joseph Michigan Works!;
- Livingston County Michigan Works!;
- Michigan Works! – Berrien/Cass/Van Buren;
- Michigan Works! West Central;
- Ottawa County Michigan Works Agency;
- South Central Michigan Works!;
- Southeast Michigan Community Alliance (SEMCA); and
- Washtenaw County Employment Training and Community Service Group.

The basic collaboration between HRDI and MWAs also links WIA services and participants with other Service Center partners, including Employment Service Agency staff, Michigan Rehabilitation Services, WIA Youth and Work First provider, and others. With these current partnerships in place and operational, HRDI will be able to implement the Program Year 2007 WIA services program in a continuous, seamless fashion, with no interruptions in customer service to dislocated workers and employers and no lost performance due to start-up activities.

Additionally, we are currently working with four other MWAs (Genesee/Shiawassee, Saginaw/Midland/ Bay, Macomb/ St. Claire, and Northeast Michigan) through our Peer program, which we are planning to collaborate with through our referral process. The Peer program will drive more dislocated workers into the local MWAs, and this will be tracked on our Peer report. We also anticipate working with an additional four MWAs in the very near future, expanding our outreach and coordination of services through the Peer program. It is our intent to work diligently throughout the year to make cooperative agreements throughout the state in order to deliver state wide dislocated worker services. HRDI has always achieved quality outcomes exceeding performance standards, and it proposes to continue this record of services success in the State of Michigan under the Workforce Investment Act in Program Years 2007 and 2008.

Sincerely,

Fran Sibley
CEO

fs/mgb:opeiu459aficio
CC: M.Gaffney

PARTICIPANT PLAN BY QUARTER AND EXIT FROM PROGRAM CATEGORY

Cumulative Quarters	(1) Total Participants	(2) Total Participants Exited From Program	(3) Total Participants Exited To Employment	(4) Total Participants Exited From Training	(5) Total Participants Who Received Credentials	(6) Other Participants Exited	(7) Total Current Participants
07/01/07 - 09/30/07	65	29	26	10	24	3	36
07/01/07 - 12/31/07	165	83	75	30	67	8	82
07/01/07 - 03/31/08	260	179	161	70	145	18	81
07/01/07 - 06/30/08	417	417	376	340	338	41	0

PARTICIPANT PLAN FOR PEER TO PEER¹

Cumulative Quarters	Total Rapid Responses/Closings	Total Dislocated Worker	Total Dislocated Worker referrals	Total Dislocate Worker enrolled in core registered by MWA	Total Dislocated Worker enrolled in intensive by MWA	Total Dislocated Workers exited by MWA	Total Current Participants
07/01/07-09/30/07	9	500	300	200	150	37	163
07/01/07-12/31/07	18	1000	600	400	300	72	328
07/01/07-03/31/08	27	1500	900	600	450	216	384
07/01/07-06/30/08	36	2000	1200	800	600	432	368

¹ This program has no contractual numbers; however here is a synopsis of our success to date: 1) attended 26 Rapid Response meetings and 2) 16 closings have set up a Peer Program exposing 5,635 workers to Peer referral and follow up. The companies range from manufacturing to retail to a large hospital. With the information we currently have these are our predictions, however mass lay offs and closings may grow exponentially. We do not register dislocated workers in WIA or place them on the MIS, however we do track what happens to our referrals. Therefore, the numbers in core registered and intensive will depend on the MWA response, which we will promote.

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 28, 2007

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B6200321
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE (517) 372-0784	
Michigan AFL-CIO Human Resources Development Inc. 419 South Washington Square, Suite 300 Lansing, MI 48933 sibleyf@voyager.net		Frances Sibley	
		BUYER/CA (517) 373-1080 Melissa Castro	
Contract Compliance Inspector: Gary Clark Dislocated Worker Services – Department of Labor and Economic Growth			
CONTRACT PERIOD:		From: July 1, 2006	To: June 30, 2008
TERMS	N/A	SHIPMENT	N/A
F.O.B.	N/A	SHIPPED FROM	N/A
MINIMUM DELIVERY REQUIREMENTS		N/A	

NATURE OF CHANGE (S):

Effective immediately, this Contract is hereby EXTENDED through June 30, 2008.

All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per agency request and DMB/Purchasing Operations approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$1,400,000.00

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

December 20, 2006

CHANGE NOTICE NO. 2 (Revised)*
TO
CONTRACT NO. 071B6200321
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE (517) 372-0784	
Michigan AFL-CIO Human Resources Development Inc. 419 South Washington Square, Suite 300 Lansing, MI 48933 sibleyf@voyager.net		Frances Sibley	
		BUYER/CA (517) 373-1080 Melissa Castro	
Contract Compliance Inspector: Gary Clark Dislocated Worker Services – Department of Labor and Economic Growth			
CONTRACT PERIOD:		From: July 1, 2006	To: June 30, 2007
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, \$400,000.00 is added to this Contract. Also, the Contract Compliance Inspector is changed to:

Gary Clark
Department of Labor & Economic Growth
Victor Office Building, 5th Floor
201 North Washington Square
Lansing, MI 48913
Phone: (517) 241-2729
Email: Clarkg1@michigan.gov

*Peer to Peer Program and Peer to Peer Budget is hereby incorporated into this Contract per the attached.

All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per vendor request (Fran Sibley) in a letter dated 7/31/06, agency agreement and DMB/Purchasing Operations approval.

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$1,400,000.00

MI State AFL-CIO HRDI
Peer to Peer Program

With the announced plant closings and lay offs by General Motors, Ford and Delphi, adversely affecting Michigan's automobile industry and the employees of that industry, it has become necessary to expand the services provided in the Workforce Investment Act (WIA), Statewide, Dislocated Worker contract beyond the geographic areas identified in the current document.

BWP currently has a contractual relationship with the Michigan AFL-CIO, Human Resource Development Incorporated (HRDI), which requires HRDI to provide WIA, Dislocated Worker, Core, Intensive and Training services in 11 Michigan Works! Agencies (MWAs). Included in the Intensive services being provided by HRDI, is the provision of Peer to Peer counseling. BWP believes that the Peer to Peer counseling being provided by HRDI would be the mechanism to provide these adversely effected workers the necessary information to properly benefit from Michigan's workforce development system.

The peer to peer counseling provided by HRDI includes the utilization of former plant employees familiar with the operations and systems of the plant and the interactions of the employees, to provide information, answer questions and act as a friendly source for descriptions of the services available to them for training and re-employment. Currently, HRDI provides Peer to Peer counseling in plants or companies that have already received Rapid Response services. In addition, Peer to Peer counseling also provides the company management and employees the following:

- Facilitation of meetings with the company, local government, economic developers and other organizations as necessary;
- Orientation to community and governmental services available;
- Communication and referral to MWAs and state government agencies;
- Site specific activities such as career fairs; and
- The provision of other information as requested or needed.

Based on the need for Peer to Peer referral networks for dislocated workers in Michigan, the MI State AFL-CIO through HRDI will establish guidelines for services using HRDI staff in conjunction with the State Rapid Response team, local MWAs and JACs. Participation will begin when we are notified by either the State Rapid Response team or local MWA of a facility closing. At the Rapid Response meeting, if possible, we will introduce the Peer to Peer activities available in order to provide comprehensive referral services to the dislocated workforce. The Peer to Peer component of the statewide system for dislocated workers will compliment the services provided by the State Rapid Response team, local MWAs and JACs to bring more dislocated workers into the system. The dual benefits of increased worker participation and re-employment are our common goals.

The Rapid Response role in the Peer to Peer process is to notify the HRDI Peer Program Manager of current facility closings. The Peer Program Manager will coordinate with the State Rapid Response team member to gain information in order to contact the local MWA in order to be present at the Rapid Response. In the areas in which we are currently service providers; the local HRDI office will make these arrangements and presentations.

The local MWA's role in the Peer to Peer process is to notify the local HRDI office if any, or exchange information with the Peer Program Manager, allowing them to be prepared for the Rapid Response. Once a Peer to Peer program has been set up for a facility the MWA may indicate which of its service providers the peers should contact for coordination of services and reporting. The MWA may also keep in contact with the peers to determine the need for services such as: additional worker orientation presentations, TAA information and presentations, strategic planning to assist dislocated workers or host meetings between the peers and current service providers.

The JAC's role in the Peer to Peer process is to encourage workers to seek assistance from the peers. We would expect the peers to be a member of the JAC, or at least invited to report on services provided and the progress they have made since the last JAC meeting. The members of the JAC and the peers have the same goals; therefore it will be important to have open communication and cooperation between the two entities.

HRDI's role in the Peer to Peer process begins with the Rapid Response. Our Peer Program Manager or Regional Manager will attend the Rapid Response meeting to present HRDI services including Peer to Peer. If a Peer to Peer program is agreed to by the company and union, if any, HRDI will be responsible for the following:

- Selection of peers, with input from company and union, if any.
- Training of peers
- Management, provision of resources and support of peers
- Reporting systems for peers
- Providing contracted payments for peer services if or when necessary
- Continued contact with the MWA, JAC, the company and union, if any, regarding peer process and /or progress
- Management of follow-up systems

A peer is someone from the effected workforce, who is a natural leader and has the capacity to empathize, encourage and engage his or her co-workers. The peer will of necessity be of the same division of a facility. For instance in a production facility, one peer may be from the production work area and one may be from the administrative work area. Peers will be chosen with input from the company, the union and members of the JAC if any. The peer must be dedicated to their fellow workers, willing to be trained and capable of sustained contact with the workers, company representatives, staff of the MWA, service providers and community resources.

Peer to Peer referral services can be delivered through WIA Core Registered and Intensive services. The Peer to Peer worker will use a holistic method for servicing the dislocated worker. Not only will the self service of WIA be made available, a one on one service strategy will be implemented to make sure that the dislocated workers receive the services they need and do not "fall through the cracks."

1. It is imperative to establish a Peer to Peer program as quickly as possible, preferably prior to closing, on site at the company or union hall.
2. The Peer or group of Peers will be chosen for their experience and leadership abilities.
3. HRDI will hire and train Peers to provide the onsite services.
4. The company and/or union will provide complete names, addresses and phone numbers.
5. A survey will be distributed to establish the types of services the dislocated workers need to become reemployed, and with the help of the MWA, service providers and community resources the peer will facilitate those services

6. The Peer will encourage the dislocated worker to communicate with and involve their family, extended family and close friends in their adaptation to job loss and plans and activities meant to help them gain employment.
7. The Peer will develop a network of and advocate for the dislocated worker with community service providers.
8. The Peer will assist workers with navigating the One-Stop system, TAA, and other grant funded programs.
9. The Peer will provide information on assessments, basic skill attainment and other tools to prepare the worker for employment.
10. The Peer will establish and remain in communication with the Workforce Development Staff, Economic Development Staff and local post-secondary education providers in their area in order to develop a network of employment resources for the dislocated workers.
11. The Peer will assist workers in developing an individual service strategy for referrals/ results; provide career search information and supply job training / job placement information.
12. The Peer will assist the dislocated worker to establish a relationship with a Career Manager in order for the worker to continue to receive services through WIA.
13. The Peer will report monthly to HRDI on services provided, activities of Peer and other pertinent information.
14. The Peer will follow-up every 30 days with dislocated workers for as long as the program is in process.
15. In the case that On-the-Job training contracts and/or Individual Training Account contracts are not available in a local MWA, HRDI will use the State contract to assist dislocated workers gain and retain employment through education and training.

HRDI through its local office and the Peer program in the State contract will be able to reach dislocated workers throughout the state with services that will be designed uniquely for their situation as a component of a statewide system.

PROGRAM ACTIVITY

<input type="checkbox"/> CORE SERVICES (REGULAR)	<input checked="" type="checkbox"/> CORE SERVICES (REGISTERED PARTICIPANTS)
<input checked="" type="checkbox"/> INTENSIVE SERVICES	<input checked="" type="checkbox"/> TRAINING SERVICES
<input checked="" type="checkbox"/> NEEDS RELATED PAYMENTS/SUPPORT SERVICES	

PLANNED EXPENDITURES

COST CATEGORIES	Current Contract WIA	Peer to Peer Expansion (Amendment)	REVISED CONTRACT TOTALS
1. CORE SERVICES (Self-Assisted)			
2. CORE SERVICES (Registered participants/Staff-assisted))	\$210,000	\$360,000	\$570,000
3. INTENSIVE SERVICES	\$280,000	\$40,000	\$320,000
4. TRAINING SERVICES	\$500,000		\$500,000
5. SUPPORTIVE SERVICES/ NEEDS RELATED PAYMENTS	\$10,000		\$10,000
6. TOTAL	\$1,000,000	\$400,000	\$1,400,000

CUMULATIVE EXPENDITURES BY QUARTER AND PROGRAM CATEGORIES

CUMULATIVE QUARTERS	(2) CORE SERVICES (Regular)	(3) CORE SERVICES (Registered Participants)	(4) INTENSIVE SERVICES	(5) TRAINING	(6) SUPPORT SERVICES/ NEEDS RELATED PAYMENTS	(7) TOTAL
07/01/06 TO 09/30/06	0	\$69,770	\$71,920	\$88,750	\$2,500	\$232,940
07/01/06 TO 12/31/06	0	\$236,790	\$154,645	\$213,750	\$5,000	\$610,185
07/01/06 TO 03/31/07	0	\$404,860	\$237,485	\$338,750	\$7,500	\$988,595
07/01/06 TO 06/30/07	0	\$570,000	\$320,000	\$500,000	\$10,000	\$1,400,000

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

December 6, 2006

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B6200321
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE (517) 372-0784 Frances Sibley	
Michigan AFL-CIO Human Resources Development Inc. 419 South Washington Square, Suite 300 Lansing, MI 48933 sibleyf@voyager.net			
		BUYER/CA (517) 373-1080 Melissa Castro	
Contract Compliance Inspector: Gary Clark Dislocated Worker Services – Department of Labor and Economic Growth			
CONTRACT PERIOD:		From: July 1, 2006	To: June 30, 2007
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, \$400,000.00 is added to this Contract. Also, the Contract Compliance Inspector is changed to:

Gary Clark
Department of Labor & Economic Growth
Victor Office Building, 5th Floor
201 North Washington Square
Lansing, MI 48913
Phone: (517) 241-2729
Email: Clarkg1@michigan.gov

All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per vendor request (Fran Sibley) in a letter dated 7/31/06, agency agreement and DMB/Purchasing Operations approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$1,000,000.00

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

August 10, 2006

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B6200321
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE (517) 372-0784	
Michigan AFL-CIO Human Resources Development Inc. 419 South Washington Square, Suite 300 Lansing, MI 48933 sibleyf@voyager.net		Frances Sibley	
		BUYER/CA (517) 373-1080 Melissa Castro	
Contract Compliance Inspector: Louis Simms Dislocated Worker Services – Department of Labor and Economic Growth			
CONTRACT PERIOD: From: July 1, 2006 To: June 30, 2007			
TERMS		SHIPMENT	
N/A		N/A	
F.O.B.		SHIPPED FROM	
N/A		N/A	
MINIMUM DELIVERY REQUIREMENTS			
N/A			

NATURE OF CHANGE (S):

Effective July 1, 2006, the duties of Chief Operating Officer as listed in 1.201 have been transferred to Frances Sibley.

Effective August 15, 2006 the duties of Barbara Malsch as listed in 1.201 have been transferred to John Howard.

All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per vendor request (Fran Sibley) in a letter dated 7/31/06, agency agreement and DMB/Purchasing Operations approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$1,000,000.00

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

June 22, 2006

**NOTICE
 TO
 CONTRACT NO. 071B6200321
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR <p style="text-align: center;">Michigan AFL-CIO Human Resources Development Inc. 419 South Washington Square, Suite 300 Lansing, MI 48933</p> <p style="text-align: right;">sibleyf@voyager.net</p>	TELEPHONE (517) 372-0784 Frances Sibley BUYER/CA (517) 373-1080 Melissa Castro
Contract Compliance Inspector: Louis Simms <p style="text-align: center;">Dislocated Worker Services – Department of Labor and Economic Growth</p>	
CONTRACT PERIOD: From: July 1, 2006 To: June 30, 2007	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

Estimated Contract Value: \$1,000,000.00

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

CONTRACT NO. 071B6200321
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR <p style="text-align: center;">Michigan AFL-CIO Human Resources Development Inc. 419 South Washington Square, Suite 300 Lansing, MI 48933</p> <p style="text-align: right;">sibleyf@voyager.net</p>	TELEPHONE (517) 372-0784 Frances Sibley BUYER/CA (517) 373-1080 Melissa Castro
Contract Compliance Inspector: Louis Simms <p style="text-align: center;">Dislocated Worker Services – Department of Labor and Economic Growth</p>	
CONTRACT PERIOD: From: July 1, 2006 To: June 30, 2007	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION: <p>Estimated Contract Value: \$1,000,000.00</p>	

<p>FOR THE VENDOR:</p> <p>Michigan AFL-CIO Human Resources Development Inc.</p> <hr/> <p style="text-align: center;">Firm Name</p> <hr/> <p style="text-align: center;">Authorized Agent Signature</p> <hr/> <p style="text-align: center;">Authorized Agent (Print or Type)</p> <hr/> <p style="text-align: center;">Date</p>	<p>FOR THE STATE:</p> <hr/> <p style="text-align: center;">Signature</p> <p style="text-align: center;">Melissa Castro, CPPB, Buyer Manager</p> <hr/> <p style="text-align: center;">Name/Title</p> <p style="text-align: center;">Services Division, Purchasing Operations</p> <hr/> <p style="text-align: center;">Title</p> <hr/> <p style="text-align: center;">Date</p>
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations

CONTRACT #071B6200321

Provide Workforce Investment Act Services to Dislocated Workers
at Multiple Michigan Works! Areas

Buyer Name: Melissa Castro, CPPB
Telephone Number: 517-373-1080
E-Mail Address: castrom@michigan.gov



Table of Contents

Article 1 – Statement of Work (SOW)7

 1.0 Project Identification7

 1.001 PROJECT REQUEST7

 1.002 BACKGROUND7

 1.1 Scope of Work and Deliverables7

 1.101 IN SCOPE7

 1.102 OUT OF SCOPE - RESERVED8

 1.103 ENVIRONMENT8

 1.104 WORK AND DELIVERABLE8

 1.2 Roles and Responsibilities18

 1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES18

 1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES20

 1.203 OTHER ROLES AND RESPONSIBILITIES - RESERVED20

 1.3 Project Plan20

 1.301 PROJECT PLAN MANAGEMENT20

 1.302 REPORTS21

 1.4 Project Management24

 1.401 ISSUE MANAGEMENT24

 1.402 RISK MANAGEMENT24

 1.403 CHANGE MANAGEMENT26

 1.5 Acceptance26

 1.501 CRITERIA26

 1.502 FINAL ACCEPTANCE27

 1.6 Compensation and Payment27

 1.601 COMPENSATION AND PAYMENT27

 1.7 Additional Terms and Conditions Specific to this SOW - RESERVED27

Article 1, Attachment A28

Article 1, Attachment B30

Article 1, Attachment C, D, E & F - RESERVED31

Article 2 – General Terms and Conditions32

 2.010 Contract Structure and Administration32

 2.011 Definitions32

 2.012 Attachments and Exhibits32

 2.013 Statements of Work32

 2.014 Issuing Office33

 2.015 Contract Compliance Inspector33

 2.020 Contract Objectives/Scope/Background33

 2.021 Background - RESERVED33

 2.022 Purpose - RESERVED33

 2.023 Objectives and Scope - RESERVED33

 2.024 Interpretation - RESERVED34

 2.025 Form, Function and Utility34

 2.030 Legal Effect and Term34

 2.031 Legal Effect34

 2.032 Contract Term34

 2.040 Contractor Personnel34

 2.041 Contractor Personnel34

 2.042 Contractor Identification36

 2.043 Cooperation with Third Parties36

 2.044 Subcontracting by Contractor36

 2.045 Contractor Responsibility for Personnel37

 2.050 State Standards37

 2.051 Existing Technology Standards37

 2.052 PM Methodology Standards - RESERVED37

 2.053 Adherence to Portal Technology Tools37

 2.054 Acceptable Use Policy37



2.060 Deliverables37

 2.061 Ordering37

 2.062 Software - RESERVED37

 2.063 Hardware - RESERVED.....37

 2.064 Equipment to be New and Prohibited Products - RESERVED37

2.070 Performance38

 2.071 Performance, In General.....38

 2.072 Time of Performance.....38

 2.073 Liquidated Damages - RESERVED38

 2.074 Bankruptcy38

 2.075 Time is of the Essence.....38

2.080 Delivery and Acceptance of Deliverables.....38

 2.081 Delivery Responsibilities - RESERVED38

 2.082 Delivery of Deliverables38

 2.083 Testing - RESERVED39

 2.084 Approval of Deliverables, In General39

 2.085 Process For Approval of Written Deliverables39

 2.086 Process for Approval of Services.....40

 2.087 Process for Approval of Physical Deliverables40

 2.088 Final Acceptance.....40

2.090 Financial40

 2.091 Pricing40

 2.092 Invoicing and Payment Procedures and Terms.....40

 2.093 State Funding Obligation.....41

 2.094 Holdback41

 2.095 Electronic Payment Availability41

2.100 Contract Management.....41

 2.101 Contract Management Responsibility41

 2.102 Problem and Contract Management Procedures42

 2.104 System Changes - RESERVED.....42

 2.105 Reserved.....42

 2.106 Change Requests42

2.110 Records and Inspections.....43

 2.111 Records and Inspections.....43

 2.112 Errors.....44

2.120 State Responsibilities44

 2.121 State Performance Obligations44

2.130 Security.....44

 2.131 Background Checks44

2.140 Reserved44

2.150 Confidentiality.....45

 2.151 Freedom of Information.....45

 2.152 Confidentiality.....45

 2.153 Protection of Confidential Information.....45

 2.154 Exclusions45

 2.155 No Implied Rights.....45

 2.156 Remedies46

 2.157 Security Breach Notification.....46

 2.158 Survival46

 2.159 Destruction of Confidential Information.....46

2.160 Proprietary Rights.....46

 2.163 Rights in Data.....46

 2.164 Ownership of Materials46

 2.165 Standard Software - RESERVED47

 2.166 Pre-existing Materials for Custom Software Deliverables - RESERVED47

 2.167 General Skills - RESERVED.....47



2.170 Warranties And Representations47

 2.171 Warranties and Representations47

 2.175 Standard Warranties - RESERVED48

 2.176 Consequences For Breach48

2.180 Insurance.....48

 2.181 Liability Insurance48

2.190 Indemnification50

 2.191 Indemnification50

 2.192 Continuation of Indemnification Obligations51

 2.193 Indemnification Procedures51

2.200 Limits of Liability and Excusable Failure52

 2.201 Limits of Liability52

 2.202 Excusable Failure.....52

 2.203 Disaster Recovery.....53

2.210 Termination/Cancellation by the State53

 2.211 Termination for Cause.....53

 2.212 Termination for Convenience.....54

 2.213 Non-Appropriation54

 2.214 Criminal Conviction54

 2.216 Rights and Obligations Upon Termination55

 2.217 Reservation of Rights.....55

 2.218 Contractor Transition Responsibilities55

 2.219 State Transition Responsibilities56

2.220 Termination by Contractor56

 2.221 Termination by Contractor56

2.230 Stop Work.....56

 2.231 Stop Work Orders56

 2.232 Cancellation or Expiration of Stop Work Order56

 2.233 Allowance of Contractor Costs.....56

2.240 Reserved56

2.250 Dispute Resolution56

 2.251 In General57

 2.252 Informal Dispute Resolution.....57

 2.253 Injunctive Relief.....57

 2.254 Continued Performance57

2.260 Federal and State Contract Requirements.....58

 2.261 Nondiscrimination.....58

 2.262 Unfair Labor Practices.....58

 2.263 Workplace Safety and Discriminatory Harassment58

2.270 Litigation58

 2.271 Disclosure of Litigation58

 2.272 Governing Law59

 2.273 Compliance with Laws59

 2.274 Jurisdiction59

2.280 Environmental Provision - RESERVED59

2.290 General.....59

 2.291 Amendments.....59

 2.292 Assignment59

 2.293 Entire Contract; Order of Precedence.....59

 2.294 Headings60

 2.295 Relationship of the Parties (Independent Contractor Relationship).....60

 2.296 Notices60

 2.297 Media Releases and Contract Distribution.....60

 2.298 Reformation and Severability.....60

 2.299 Consents and Approvals61

 2.300 No Waiver of Default.....61

 2.301 Survival61

 2.302 Covenant of Good Faith61

 2.303 Permits61



2.304 Website Incorporation61
2.305 Taxes.....61
2.306 Prevailing Wage - RESERVED.....61
2.307 Call Center Disclosure61
2.308 Future Bidding Preclusion - RESERVED.....61
2.310 Reserved61
2.320 Extended Purchasing61
2.321 MiDEAL - RESERVED62
2.330 Federal Grant Requirements.....62
2.331 Federal Grant Requirements62

Exhibit 1, Michigan Works! Agency Letters of Coordination and Support Form



Article 1 – Statement of Work (SOW)

1.0 Project Identification

1.001 PROJECT REQUEST

The purpose of this Contract is to provide Workforce Investment Act services to Dislocated Workers in multiple Michigan Works! Areas.

1.002 BACKGROUND

The Statewide Dislocated Worker Project is a discretionary initiative by the Governor, authorized in the federal Workforce Investment Act (WIA) formula Dislocated Worker funding to the State of Michigan, to increase training and employment to the dislocated worker population. The funding is from the United States Department of Labor and is awarded to a provider competitively by the Michigan Department of Labor & Economic Growth through a Michigan Department of Management and Budget Invitation to Bid (ITB) process.

For the last two decades, the state has selected a provider to administer the delivery of dislocated worker services in multiple regions identified through the Michigan Works! system. The purpose of the selection of such a provider is to ensure a consistent delivery of services to workers facing mass layoffs or to provide supplemental assistance to dislocated workers where staff and funding is unavailable, inadequate, or untimely.

1.1 Scope of Work and Deliverables

1.101 IN SCOPE

The funding for this project is for Program Year 2006, a 12-month period from July 1, 2006, to June 30, 2007, and the project must operate in at least five Michigan Works! Areas (MWAs), preferably in all regions of the state. In keeping with historical experience numbering two decades, approximately 400 workers will be enrolled and over 300 will be placed into unsubsidized employment. The Dislocated Worker services will include core, intensive, and training services, as stated in the WIA and WIA Final Rules and Regulations.

To be eligible for the WIA Dislocated Workers program, the participant must be:

- 1) A citizen of the United States or an eligible non-citizen, WIA Section 188 (a) (5).
- 2) Registered with Selective Service (if applicable); WIA Section 189 (h).
- 3) An individual who meets the definition in WIA Section 101 (9):
 - (A)
 - (i) Has Been terminated or laid off, or who has received a notice of termination or layoff, from employment;
 - (ii) (I) is eligible for or have exhausted his/her entitlement to unemployment compensation; or (II) has been employed for a duration sufficient to demonstrate, to the appropriate entity at a one-stop center referred to in section 134©, attachment to the workforce, but is not eligible for unemployment compensation due to insufficient earnings or having performed services for an employer that were not covered under a State unemployment compensation law; and
 - (iii) is unlikely to return to a previous industry or occupation;
 - (B)
 - (i) has been terminated or laid off, or has received a notice of termination or layoff, from employment as a result of any permanent closure of, or any substantial layoff at, a plant, facility or enterprise;
 - (ii) is employed at a facility at which the employer has made a general announcement that such facility will close within 180 days; or



- (iii) for purposes of eligibility to receive services other than training services described in section 134(d)(4), intensive services described in section 134 (d)(3) or supportive services, is employed at a facility at which the employer has made a general announcement that such facility will close;
- (C) was self-employed (including employment as a farmer, a rancher, or a fisherman) but is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters; or
- (D) is a displaced homemaker. A “displaced homemaker” means an individual who has been providing unpaid services to family members in the home who;
 - (i) has been dependent on the income of another family member but is no longer supported by that income; and
 - (ii) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

This project will provide WIA employment and training services to dislocated workers, including displaced homemakers, with a focus on training in demand jobs and occupations, to enable these workers to achieve and retain full-time unsubsidized employment, and to maintain, if not increase, their pre-lay-off standard of living, that is, a rate of pay that is at least 90 percent of their earnings at the time of dislocation. These funds are designed to address mass dislocations immediately, where dislocated worker discretionary funding is inadequate or unavailable or even untimely, or to supplement formula dislocated worker funding that is inadequate or unavailable to serve dislocated workers in general. No funds under this Contract will be used to duplicate services that are provided by the Michigan Works Agencies (MWAs).

1.102 OUT OF SCOPE - RESERVED

1.103 ENVIRONMENT

The ability to access and utilize the state's Management Information System (MIS) or to develop an agreement with a local Michigan Works! agency for that agency to provide the MIS System.

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 set forth below:

The dislocated worker services will include core, intensive, and training services, as stated below in the WIA and WIA Final Rules and Regulations.

WORKFORCE INVESTMENT ACT (WIA) SERVICE DEFINITIONS & TASKS:

Core Services:* The basic Workforce Investment Act (WIA) service available to the public-at-large, as a self-assisted or staff-assisted service at a Michigan Works! one-stop service center, that allows a customer to access the employment and training system, which may include, but is not limited to, registration, eligibility determination, unemployment claims filing, Internet browsing of the job bank, job search, job club, and job referral, as authorized by Section 134(d)(2) of the WIA and Section 663.100 of the WIA Final Rules and Regulations. Core services are a prerequisite for intensive services.

Contractor Response to Task:

Michigan HRDI is will provide Statewide Dislocated Worker Project Services in 11 Michigan Works Areas (MWAs).

In the 11 MWAs (see below), Michigan HRDI is proposing to provide WIA employment and training services to dislocated workers who are facing mass layoffs or who cannot otherwise be served because local MWA funds are unavailable, inadequate or untimely, to enable these workers to achieve and retain full-time unsubsidized employment and to thus maintain their pre-lay-off standard of living. Using the WIA dislocated worker funding applied for herein, Michigan HRDI proposes to provide a comprehensive array of dislocated worker services at all WIA service levels, beginning with Core Services. These services will be provided collaboratively with local MWA service center partner agencies and will be tailored to meet the individual needs of each dislocated worker that is registered for WIA services.



In eight of these areas, Michigan HRDI is – or will be in PY 2006-07 - a WIA contractor and Service Center partner, with funding from the local MWA. In two of these “partner” MWAs (Capital Area and Kalamazoo-St. Joseph), HRDI is a dislocated worker provider and is located in the Service Center as an active partner. In Five other MWAs (South Central, West Central, Washtenaw, SEMCA and CISD-Barry-Branch-Calhoun), Michigan HRDI currently operates WIA Dislocated Worker programs and other WIA and/or Welfare Reform programs and is located as a partner in the service center(s) In the ACSET area, HRDI has been designated to operate the WIA Dislocated Worker On-the-Job Training program, starting July 1, 2006, in three Service Centers. In these 8 MWAs, HRDI currently has experienced staff that has worked and will work with dislocated workers under both local funding and Statewide funding, and such staff will be able to begin providing services on July 1, 2006 with no lost time for hiring and training staff or establishing the Service Center partner relationships necessary to deliver services.

The other three MWAs to be served under the program proposed herein are contiguous to MWAs listed above where HRDI has contracts and full time operational staff. In these contiguous areas, HRDI proposes to work jointly with MWAs – particularly on layoffs and closures that affect dislocated worker populations that cross MWA boundaries – to identify dislocated workers requiring HRDI services. In such cases, HRDI will collaborate with contractors designated by the contiguous MWAs and will use its statewide dislocated worker grant funds to enhance the training services and resources available to such dislocated worker populations. The contiguous MWA's supporting and participating in the Michigan HRDI proposal are Ottawa County, Central Area Partnership Consortium and Michigan Works! Berrien-Cass-Van Buren.

In all 11 Michigan Works areas, whether provided by HRDI staff working with local Employment Service (ES) providers or by MWA staff, working with ES, all potential applicants for services under the statewide grant will initially receive self-service core services, and a subset of these eligible applicants will be registered for WIA services on the statewide one-stop MIS (OSMIS) to receive staff assisted Core Services.

In Service Centers in the 8 MWAs where Michigan HRDI is a partner and service provider, all dislocated workers will receive WIA self-service Core services that are available without the requirement for eligibility determination or WIA registration. As service center partners, HRDI staff will collaborate with Wagner Peyser funded ES staff and other service providers where appropriate to make this service available to all dislocated worker job seekers. (HRDI's participation in providing universal self-serve Core services in these MWAs and Service Centers shall not be charged to the grant applied for herein, but shall be funded through local MWA WIA grants to HRDI as a WIA service provider).

In each service center, dislocated workers shall have access to the full array of regular Core service resources and information, as identified in the Workforce Investment Act. Such universal services shall include: general Service Center outreach, recruitment and orientation to Service Center resources, initial information on WIA eligibility and services, self serve assessment, labor market information on demand occupations, labor exchange and job vacancy listings (Michigan Talent Bank). These Core services shall include self-serve job search, and information on cost and performance of eligible training providers, on the performance of the one-stop center(s) and programs, on filing unemployment claims, on eligibility for the Work First/Welfare-to-Work program, and on non-WIA financial aid for training. Additional staff-assisted Core services that are available to participants after their registration for WIA services are described below.

HRDI staff in each Service Center will work collaboratively with ES staff to identify, track and document those dislocated workers that are actively seeking employment and have used one or more (self-service) Core services. From this Core services population, HRDI and ES staff jointly will identify those eligible job seekers that have been unable to secure employment at a self-sufficiency levels and that will need WIA staff assistance to secure employment. Such applicants will be referred to HRDI for WIA intake, eligibility determination and potential enrollment for WIA staff-assisted core services.

Participants with good work records, demonstrated employability skills, good basic skills and marketable occupational skills will most likely only require assistance with career choices and the job search process. Such participants will be enrolled initially for staff-assisted Core services. In addition to the continued availability of all self-service Core services and ES resources, enrollment for staff-assisted Core services will provide participants with an individual case manager who can provide career counseling, assistance with the job search process and direct referrals to employers with job openings (identified through HRDI business services) that match participant's skills, abilities and employment goals and objectives. (Details on the HRDI process for identifying, selecting and registering dislocated workers for WIA staff-assisted Core Services is contained in the bidder response immediately after “Supportive Services” below.)



HRDI's primary Core services for participants that are registered for WIA will be job development and employer outreach, career counseling, job search assistance, referrals to employers and direct job placement. The primary objective of HRDI staff working with WIA Core services participants will be to match participants with employers and job openings that can meet their occupational and career objectives and that will result in placement in unsubsidized employment leading to economic self-sufficiency. HRDI will achieve this outcome for participants through a vigorous program of business services employer outreach to identify job openings with skill requirements and wage and fringe levels that match participants' capabilities and employment objectives and meet participants' self-sufficiency needs. To accomplish this goal, HRDI staff works with local economic developers and business organizations to identify those employers in each MWA area that are creating job openings that can be filled through the local workforce development system. HRDI will focus on quality jobs with good wages and benefits.

In addition to identifying such job openings for Core services registrants, HRDI staff will match participants with job openings and refer participants to employers for applications and interviews. On a one-on-one basis, staff may also critique participants' resumes, advise or assist participants in completing job applications and prepare participants for job interviews. Finally, staff will follow-up with employers on all such applications and interviews to advocate for participants.

All participants who achieve unsubsidized employment through staff-assisted Core services will be terminated to employment on the one-stop management information system (MIS). HRDI central office staff will perform all DLEG MIS data entry and reporting. As the largest single JTPA and WIA dislocated worker State Selected Service Provider for the last 12 years and as the only current WIA Dislocated Worker service provider to operate a statewide WIA dislocated worker program under contract with the State of Michigan, Michigan HRDI has operated a complete MWA management information system (MIS) – for direct data entry into the Statewide MIS - since 1988. Michigan HRDI staff currently enters participant data directly onto the MIS for its current statewide WIA dislocated worker contract with DLEG. In addition, HRDI staff also now performs entry of participant data on the MIS under its MWA contracts. Michigan HRDI Service Center staff and clericals have been trained, know policies, procedures and documentation and are responsible for completing WIA registration and termination forms, and Michigan HRDI staff are responsible for data entry onto the MIS for all participant transactions, including registration, case notes, status change, and termination. The Michigan HRDI central office MIS Specialist is responsible for all MIS data entry for enrollments, terminations and placements under the current Michigan HRDI statewide WIA dislocated worker contract with DLEG. HRDI Central Office and Service Center staff are also able to obtain performance reports from the MIS for purposes of performance tracking, contract management and assuring achievement of contract performance goals.

The M-HRDI Central Office MIS specialist (18 years experience operating and maintaining an MWA management information system) will be responsible for entering on the MIS all participant data for the program proposed herein. Data entry will be based on enrollment and termination documents completed and transmitted by staff from all of the HRDI Service Center staff members who are responsible for actual enrollments, program services and terminations for participants enrolled under the statewide dislocated worker contract. All staff members responsible for enrollment, termination and placement documentation and data entry are thoroughly familiar with the operation of the MIS and the WIA requirements for enrollment and termination of participants.

HRDI Staff will follow-up with participants at the end of the first and third quarters after the quarter in which they exited, to determine if follow-up services are needed and to verify the participant's employment status and wage rate. Participants who are not able to obtain unsubsidized employment through staff-assisted Core services may be transferred to WIA Intensive services for additional job search/placement assistance.

Intensive Services: Staff-assisted comprehensive and specialized assessments of the skill levels and service needs of Adults and Dislocated Workers, which may include, but are not limited to, educational testing; case management, an individual training plan (ITP); an individual training account (ITA); identification and evaluation of employment barriers; individual and group counseling; career planning; financial needs; development of learning, communication, and interviewing skills; out of area job search; relocation assistance, and internship and work experience, as authorized by Section 134(d)(3)(c) of the WIA and Section 663.200 of the WIA Final Rules and Regulations. Intensive services are a prerequisite for training services.

**Contractor Response to Task:**

Dislocated workers who are transferred into Intensive services will first meet with their assigned HRDI manager Employment and Training Specialist (serving as case manager) to develop an Individual Service Strategy (ISS). The case manager will first review the participant's basic reading and math test results, resume, employment/education and training history and all eligibility and registration documentation in the participant file. In an individual, one-on-one meeting, staff will review with the dislocated worker the results of all assessments and will acquire additional information on past employment, education and training and any identifiable job skills. Staff and the participant will also jointly discuss and identify real or potential barriers to employment (which may range from a lack of basic skills or marketable job skills to problems with transportation or child care). Staff will next work with the participant to identify short-term employment and training objectives and long term career goals and will discuss with the job seeker the steps and services needed to achieve these short-term objectives and long term goals. Staff will also provide the participant with information on the WIA Intensive and support services that are available and relate most directly to his/her goals and objectives.

Based on this discussion and information, the HRDI staff case manager and the participant will jointly identify the sequence of services and activities necessary for the job seeker to achieve his/her goals and objectives. Assessment results, barriers to employment, short and long term goals and objectives and an employment and training plan with a specific sequence of services and activities will all be entered into the job seeker's ISS. The plan will then be signed and dated by the staff person and the job seeker. The ISS will be a living document that will be reviewed and updated as needed by the job seeker and his/her HRDI case manager, with all updates to be signed and dated.

The case manager's primary responsibility will be to develop the Individual Service Strategy – jointly with the job seeker – and to provide the assistance, resources and services needed for the job seeker to achieve the goals and objectives set out in his/her ISS employment and training plan. During the course of the participant's involvement in Intensive Services, the case manager will be responsible for providing the job search assistance and job referrals, the counseling, the pre-vocational services, and the job placement assistance required by the job seeker to achieve his/her ISS goals and objectives. The case manager will also be responsible for identifying the need for Training services and referring the participant for Training services, if such a transfer is needed and is jointly determined by the case manager and the participant.

The Michigan HRDI case manager will make available to participants several options for employment and career counseling during the course of their participation in the WIA Intensive Services program. Such counseling may be done on an individual or group basis. Counseling topics may include detailed labor market information on job availability, career ladders, wage and benefit levels, job mobility and skill, training, and education and experience requirements for specific occupations and career clusters. Employment and career counseling will be individualized, based on each participant's ISS and will be designed to assist the job seeker in making realistic choices in developing job and career goals and objectives and in selecting WIA services. One key focus of such counseling will be the specific Intensive and Training services the job seeker will need to achieve his/her ISS career goals and objectives.

Because it is a key component of the job search process, job-seeking skills assistance will be made available to all participants enrolled for WIA Intensive Services. This assistance will be provided either individually or in group sessions, as needed, and will cover the standard range of skills, knowledge and abilities needed to successfully seek and obtain employment. Subjects will include an overview of the job search process, sources of information on job openings, general and focused resume development, completing job applications, writing cover letters, interview and employer follow-up strategies and techniques, and telephone cold calling to employers. Individual sessions may cover other related topics such as problem-solving, job maintenance, and personal management and communication skills, as needed by individual job seekers.

HRDI case managers will also be responsible for making referrals to local human service agencies for any non-employment-related needs (e.g. family counseling, money management assistance or substance abuse services), and for identifying participant support needs and acquiring supportive services assistance where necessary, appropriate and allowable. Case managers will assure that each participant on their case load is informed of the availability of supportive services and the process for applying for such services (see below for detail on the HRDI supportive services process).



HRDI staff will commit significant time to the task of identifying employers who can provide direct placement opportunities for Dislocated Worker participants. Staff will identify employers with job openings appropriate for the placement of job seekers enrolled for Intensive Services. Case managers will be responsible for referring job seekers to such employers for application and interview, and they will follow up with employers to advocate for job seekers. The job openings addressed here are for the direct placement of job seekers receiving Core and Intensive Services and do not involve training, but employer outreach will also identify job openings for participants enrolled for Training who can benefit from on-the-job training or have completed classroom training. Each employer with job openings will be pre-screened to assure that the jobs are permanent and full time, are at appropriate and competitive wage rates, and have not been created as the result of layoffs or job relocation

Employers will be identified in a number of ways. Staff will maintain regular contact with past OJT, direct placement and customized training employers and will identify employers referred by local unions and other community agencies. HRDI will also access employers with jobs listed on the Michigan Talent Bank. In the 2006-07 program year, all HRDI staff will use the demand-driven business services model for employer outreach by developing working relationships with economic development agencies and business and professional organizations (including Chambers of Commerce) in the HRDI service areas. HRDI has established a collaborative business outreach program that links HRDI workforce development staff with economic development business retention calling programs. HRDI combines this joint business outreach with the development of customized recruitment, screening, assessment and referral of job seekers to employers with job openings. This collaborative approach to business outreach and business services has been effective for HRDI and has yielded more quality training and placement opportunities for job seekers, better applicants, a more skilled and committed workforce for employers and better outcomes for the Michigan Works system.

Each employer with job openings (whether for OJT, customized training or Core/Intensive services direct placements) will be pre-screened to assure that the jobs are permanent and full time, are at appropriate and competitive wage rates, and have not been created as the result of layoffs or job relocation. Staff will also determine that potential employers are not in violation of WIA labor standards, that they are not involved in labor disputes, that local unions (where collective bargaining agreements exist) will concur with OJT or customized training agreements, and that work environments appear generally clean, safe and well supervised. Staff will also review job descriptions or information on job skills and tasks, along with information on wage levels and fringe benefits, to assure that the jobs are full-time and appropriate for WIA participants.

Job Placement Assistance is linked with employer outreach. Case managers will screen Job seekers for employer hiring criteria, refer qualified job seekers to employers with job openings and work with applicants being referred to employers, to assist them in completing applications and to prepare them for job interviews. HRDI case managers will follow up on all job placement referrals and will advocate with the employer on behalf of the participants. Case managers may also identify situations where a participant does not have all the skills required by the employer and can be hired only with the assistance of OJT. In such situations, the case manager may refer the participant to Training Services and develop an OJT contract in order to provide the needed training (see below for training details). Case managers will follow-up on all placements – with both participants and employers - to verify job retention and to identify and resolve and post-placement job problems and/or to provide post-placement services as needed.

In cases where job seekers achieve unsubsidized employment directly as a result of participation in Intensive services, case managers will verify placement in and retention of employment and will also conduct first and third quarter (after the termination quarter) follow-ups. Finally, case managers will complete termination forms for entry onto the MIS, upon verification of placement into unsubsidized employment.

In cases where a job seeker fails to acquire employment through participation in intensive services, it will be the responsibility of the case manager – again working jointly with the participant – to identify the need for WIA training services and for processing the job seeker's transfer from intensive to training services. Detail on proposed training services is provided below.

As was explained above, Michigan HRDI is proposing to provide services to dislocated workers in 11 Michigan Works Agency service areas. In eight of these areas (as identified above), Michigan HRDI is (or will be in PY 06-07) a WIA contractor and HRDI staff is/will be located in the MWA Service Centers, has participated in or acted as the lead agency in developing WIA referral and registration procedures and/or has the existing working relationships with all other Service Center partners that are needed to deliver the full range of WIA services proposed herein. In these eight areas, Intensive services will be delivered as described above.



In the other 3 “contiguous” Michigan Works Agency service areas identified above, where HRDI does not have full-time staff located in and delivering services through MWA Service Centers, Michigan HRDI will collaborate with designated MWA service providers in Service Centers in those areas. In the collaboration proposed, MWA service provider staff will be primarily responsible for recruitment, enrollment and providing Core and Intensive services to dislocated workers using MWA WIA resources in the Service Centers where they are located. Upon request by the MWA, HRDI staff will work on-site with the MWA service providers to identify those dislocated workers enrolled in Intensive services who need Training services to achieve their ISS employment objectives. All WIA dislocated workers that are unable to obtain employment through intensive services alone – whether they receive intensive service case management from one-stop center HRDI staff or from MWA contractor staff in contiguous MWAs - will be considered for transfer to Training Services through the process described below.

Training Services: Occupational training, through an eligible training provider (business school, trade school, community college, four-year college, private vendor, etc.), with or without the use of an individual training account (ITA), which includes, but is not limited to, classroom training, on-the-job training, skill upgrading and retraining, entrepreneurial training, job readiness training, customized training, and adult education and literacy training (in conjunction with one or more of the previously listed types of training), to enable an Adult or Dislocated Worker to obtain permanent, full-time employment in a demand occupation at 90% of their last rate of pay, as authorized by Section 134(d)(4)(D) of the WIA and Section 663.300 of the WIA Final rules and Regulations.

Contractor Response to Task:

As was indicated above, HRDI case managers will regularly review the status of all job seekers enrolled for Intensive Services and will make decisions on those enrolled job seekers that will require formal training in order to obtain or retain unsubsidized employment. Case managers will review progress on ISS plans, goals and objectives with Intensive Services participants on a regular basis, will review and discuss the results of job search and job placement activities and will identify those participants who are most in need of and most likely to benefit from Training Services. Such participants will be referred for Training Services insofar as sufficient resources are available. Only job seekers who have been referred to Intensive Services from Core Services, have been verified as WIA eligible for such services and have failed to obtain employment through Intensive Services will be referred for Training. No job seeker will be referred for Training unless his/her WIA eligibility as a dislocated worker has been documented and certified. Michigan HRDI will review the number and cost of Training commitments monthly (on a cumulative basis) and will provide all regional managers, coordinators and case managers with information on the number and value of Training slots committed and available. In this way, case managers will only make referrals for Training Services where resources are available, and they will plan and schedule Training referrals so that Training funds are available for the entire twelve months of the program year.

Case managers will re-verify each participant's eligibility documentation and certification prior to referring the participant for Training and committing Training funds. Each document that commits Training funds (e.g. CRT-Individual Training Account vouchers, customized training agreements and OJT contracts) will be reviewed and approved by a Manager or Coordinator before the expenditure of WIA Training funds is authorized, and such approval will occur only after the Manager or Coordinator is assured that the job seeker(s) is eligible and has been properly referred and enrolled for such services. As is described herein, each decision on transferring a WIA Intensive Services participant into the Training activity will be an individualized case management decision, determined jointly by HRDI staff (with contractor staff in contiguous MWAs) and the participant, considering the participant's ISS plan, goals and objectives. HRDI will not establish – nor does WIA require – any standard time-line for the transfer of participants from Intensive to Training services. The time spent in Intensive services will vary from participant to participant, based on all of the variables that affect each participant's ISS plan, goals and objectives.

Michigan HRDI will provide Training Services to those job seekers that have been referred by Intensive Services case managers. The training described herein will be provided with funds available under WIA, though it is understood that other agencies that are partners in the workforce system may also be able to provide some support for training from non-WIA sources (e.g. training funds for individuals with disabilities from Michigan Rehabilitation Services, TAA/NAFTA funds from the Employment Service provider, or Pell Grant funds from community colleges). Training Services will be customized and individualized to meet the needs of each participant, and the specific Training service or mix of Training Services provided to an individual job seeker will depend upon the information on barriers to employment, training and employment plans and short and long term career goals and objectives that are contained in that job seeker's Individual Service Strategy. The Training Services menu proposed by Michigan HRDI includes the following.



Occupational Skills Classroom Training - HRDI shall make available occupational skills classroom training for job seekers who have good employability and basic skills, who lack marketable job-specific skills and who elect to develop occupational skills in a classroom setting. Occupational Skills classroom training shall be provided through the use of "Individualized Training Accounts" (ITAs) and shall be available only insofar as funds are available to support such ITAs. The Michigan HRDI occupational skills Classroom Training (CRT) program is designed to maximize customer choice among training alternatives. HRDI proposes that all occupational skills classroom training shall be short term – 3-26 weeks – and shall be implemented only insofar as the participant can complete training and achieve placement in unsubsidized employment prior to June 30, 2007 (the last day of the grant year for which WIA services are proposed herein). All classroom training will be provided by training providers and training programs certified as eligible training providers in the Career Education Consumer Report (CECR), and all ITA programs will result in certificates of completion and skill acquisition for participants who successfully complete training. HRDI staff shall make available extensive information on occupational training available through state certified training providers, with information available from the Career Education Consumer Report (CECR) list of eligible training providers.

Staff shall explain to participants that their ITA options are restricted to those training programs and providers that are on the CECR training provider List. Each ITA shall have a set amount of funds attached to it, and the ITA funding level shall represent the maximum amount payable in WIA funds for the training selected by the Training Services participant. If the participant selects a training option that costs more than the value of the ITA, staff will attempt to identify other funds that might support the balance of the training cost (e.g. Pell Grant or other financial aid funds). If no other funds are available, the participant may select a less costly training option or must pay the balance of the training cost (over and above the value of the ITA) out of his/her own funds.

Classroom occupational skills training will be provided through individual participant training vouchers. This training will be occupation-specific and designed to provide participants with the skills they need to acquire employment in the current local labor market. Because of the annual, competitive nature of the grant applied for herein, HRDI will focus on shorter term 1-6 month training programs in which participants can expect to complete training and achieve unsubsidized employment within the twelve month grant period. The HRDI case manager will work with the participant and the Training Institution to develop the voucher and to enroll the participant in training. The HRDI case manager will maintain contact with the participant at regular intervals during training to verify training progress and identify any problems that may need intervention or assistance from staff. Prior to the completion of training, each participant will meet with his or her case manager to develop a job search plan. Upon completion of training, HRDI staff will also review all existing and projected employer job openings, including job vacancies it has identified through employer outreach (as described in Intensive Services above) and any opening listed with the Michigan Talent Bank, to attempt to identify placement options in the training occupation. The HRDI case manager will refer the participant to job openings identified and developed by HRDI and will continue this case management and referral process until job placement. Finally, HRDI staff will verify job placement and – in the first and third quarters after the quarter in which the participant is terminated – will verify retention of employment.

Staff will record the completion of each ITA certified training program by a participant and will also record the credential received by the participant. This data will be noted (with a copy of the credential) in the participant file and recorded on the OSMIS.

On-the-Job Training - Job seekers with good basic and employability skills, who are lacking in marketable job-specific skills and who do not elect to participate in classroom occupational skills training will be considered for on-the-job training (OJT). OJT is individualized training that occurs on the job and is provided by an employer, while the participant is employed and is receiving full time pay for the job for which he/she is being trained. Training reimbursement to the employer shall be based on 50% of the trainee's straight time wages during the negotiated training period. The reimbursement is fully payable only after the OJT participant completes training, is placed in unsubsidized employment and retains his/her employment for 30 days.

Each OJT training plan is individualized and is based on the employer's hiring requirements for the OJT position and the skills and abilities of the participant. Each OJT training plan emphasizes the development of those skills needed to fill the gap between the employer's hiring requirements and the participant's existing occupational skills. HRDI staff will review the OJT training plan with both the participant and the employer, with both agreeing on the OJT training skills and training hours. The contract will be executed only upon agreement by all parties. HRDI staff will obtain union concurrence in situations covered by a collective bargaining agreement.



Once the participant has been placed in the OJT position, HRDI staff will contact the employer and participant (in person or by phone) monthly during the participant's OJT period to verify the progress of training, hours of employment and to identify any problems related to training and/or employment that HRDI can assist with or resolve. After the end of the training period, staff will meet with the employer and participant to verify the completion of training and to review the training evaluation and the OJT Employer Payment Invoice. Staff will assure that the contracted training occurred and that the participant has acquired the skills identified in the OJT training plan, has worked the specified training hours, and was paid at the required wage level. The employer will also provide documentation to verify the hours worked and wages paid during the training period.

After verification of the participant's completion of training and acquisition of all of the skills listed on the OJT Training Plan, Michigan HRDI will issue the participant an Occupational Skills Training Certificate of Completion, listing the training hours and the job skills acquired. The Certificate is signed by an HRDI representative and/or an employer representative (as approved by the MWA). This Certificate is currently accepted as a credential by the MWAs with which Michigan HRDI has WIA contracts. HRDI will seek approval for use of this certificate as a locally recognized credential from other MWAs in areas where HRDI may serve participants using funds received under the grant applied for herein. As with ITA training, a copy of the credential will be retained in the participant file and receipt of the credential will be recorded on the MIS. Finally, an HRDI staff person will contact the employer and participant 30 days or more after the completion of training to verify both the participant's continued employment and his/her current wage.

Customized Training - In the model developed and implemented by HRDI, customized training is training designed to meet the needs of a specific employer or group of employers (generally in the same industry, requiring the same basic industry-specific skills). In customized training, the employer commits up-front to hire the trainee upon successful completion of training and to pay not less than 50% of the cost of the training. Generally, opportunities for customized training will come either from direct Michigan HRDI business services employer outreach activities or from referrals from economic development agencies working with new and expanding businesses that are creating jobs.

Customized training projects will offer WIA Training participants access to high wage/high benefit jobs, with successful employers who can provide secure employment and upward mobility. Participants will also have the opportunity to receive job-specific occupational skills training in a classroom setting and/or on-the-job, with hiring assured upon the successful completion of training. Dislocated workers who are WIA Training participants will know the training requirements, the job duties, the employer and the workplace, as well as the wages, fringes and advancement opportunities available before they commit to a customized training program. Thus, they have the opportunity to select training and employment package that meets their specific needs, with the hiring outcome defined before training begins.

Customized training programs are individualized to meet each employer's specific needs and requirements, but most such programs will involve classroom training or OJT, and sometimes both, either concurrently or consecutively. As with ITA classroom training and OJT above, participants may earn credentials from one or both of these training activities if they are part of the customized training program, with the receipt of such credentials recorded in the participant file and on the OS-MIS.

Adult Education and Literacy Training - Adult education (basic skills and GED preparation) and literacy training will be made available to those job seekers referred for training. The need for such training will be identified in the customer's Individual Service Strategy, and staff and the customer will agree that the training is needed to achieve the employment goals and objectives specified in the training plan. Adult education and literacy training are not stand-alone activities, but will be provided in conjunction (either concurrently or consecutively) with one of the three occupational skills training options described above.

Basic skills instruction will be provided to participants whose low basic skill levels are a significant barrier to employment. To the extent possible, HRDI will use local adult education programs, supported by State Adult Education funds. Depending upon the level of adult education funding in the appropriate service area and the timeline for availability, it may be necessary to offer basic skills instruction to some participants as a CRT program funded through the use of a WIA training voucher. This method will only be used as a last option for an individual with ISS indications that basic skills training or a GED is a necessary pre-condition for occupational training and/or employment. For this service, HRDI will use local education agencies and other licensed basic skills training vendors that can offer such training on a tuition basis or for a single "off-the-shelf" price. As with the occupational skills training listed above, all credentials issued for basic skills training or GED will be recorded in the participant file and reported in the MIS.



Michigan HRDI has established procedures and documentation for executing, recording, accounting for, tracking and reimbursing OJT contracts and ITA classroom training vouchers.

Supportive Services: Services which may include, but are not limited to, support such as transportation, child care, dependent care, housing, tools, clothing, medical care, and needs-related payments to enable an Adult or Dislocated Worker to participate in core, intensive, or training services, as authorized by Sections 101(46) and 134 (2) and (3) of the WIA and Section 663.800 of the WIA Final Rules and Regulations.

Contractor Response to Task:

In addition to direct training services, some participants enrolled in training may need supportive services. Each participant's need for supportive services will either be initially determined during development of the ISS or may be identified later in the WIA enrollment period. The need for supportive services will be recorded in the ISS at the point in time when such need is identified.

In order to conserve scarce resources and to focus on participant needs which relate most directly to acquiring and maintaining employment, M-HRDI supportive services policy has three allowable categories: the payment of transportation costs (for commuting to and from work or training), the purchase of clothes, tools and equipment that are job related and required as a condition of employment, and payment for services directly related to or required for employment, such as occupational licensing tests or medical exams.

Mileage for participants placed in OJT or jobs as a result of Intensive or Training Services is allowable at DLEG approved rates for the first four weeks of employment or until the participant acquires his/her first pay check, whichever comes first. For participants enrolled in classroom training, mileage is allowed for the days training is scheduled, for the term of the training program. Mileage is only paid on supportive service vouchers approved by the local HRDI manager and containing employer or training agency verification of attendance (at work or training) on each day for which travel payments are requested.

For work-related tool or equipment purchases, Michigan HRDI specifies that staff will purchase such tools and equipment directly in cases where the total value is \$300.00 or less. Such tools will be purchased from retail outlets where Michigan HRDI has established accounts. This same process applies to work-related clothing and uniforms, with a limit of \$200.00. For tools and equipment costing over \$300.00, a management approval is required and staff shall acquire two bids and purchase from the low bid vendor. Michigan HRDI has an established procedure for documenting, reviewing and approving supportive services requests and for tracking and issuing supportive services payments. Michigan HRDI generally maintains a four day turnaround for supportive services payments, with 24 hour processing of payments in emergency situations.

Michigan HRDI does not propose to provide needs-related payments.

***Self-assisted core services** are the only WIA services that can be accessed unconditionally. Staff-assisted core services, intensive services, training services, and support services are dependent upon the evaluation, determination, and recommendation of one-stop center staff such as counselors and case managers using WIA and Workforce Development Board (WDB) locally-devised criteria in conjunction with such factors as the availability of funding and Michigan Works! Agency (MWA) priorities.

Contractor Response to Task:

HRDI will use two different processes for identifying dislocated workers that have not found employment through self-service Core Services, selecting them for WIA registration and registering them as participants under the statewide program proposed herein to receive staff-assisted Core Services. In the 8 MWAs where Michigan HRDI will be a service provider and a Service Center partner, HRDI staff will complete all intake, eligibility determination, orientation, and enrollment for WIA services. Job seekers who cannot obtain appropriate employment through the use of ES resources and regular self-serve core services will be referred to Michigan HRDI for eligibility determination and possible registration for Core services. At the point of such referral, job seekers will be scheduled for a group intake and orientation session. They will be provided with a copy of WIA dislocated worker program eligibility definitions, criteria and required documentation when they are scheduled for the group intake and orientation.



Orientation sessions will be scheduled and conducted weekly by Michigan HRDI staff in the 16 Service Centers in the 8 Michigan Works Areas where HRDI is a service provider and one-stop partner. At the orientation, HRDI staff will initiate the WIA intake and eligibility determination process and will provide an overview of WIA. The orientation will describe the Core, Intensive and Training services available to participants under WIA and the process for determining which services and activities will be provided to participants. During the orientation, staff will also provide specific information on the responsibilities of participants who are selected and registered for WIA services. After the group orientation is completed, HRDI staff will begin the intake and eligibility determination process.

Eligibility determination and certification will be based on the collection and verification of documentation identified and required by the Michigan Department of Labor and Economic Growth (DLEG) WIA policy, as well as the completion of any application or registration forms so required. HRDI staff will use Eligibility criteria and allowable documentation to support eligibility for both dislocated workers and displaced homemakers that is defined in and mandated by the WIA Participant Management Information Guide (PMIG) issued by DLEG. Michigan HRDI staff will follow the processes outlined by the WIA PMIG for eligibility determination. Michigan HRDI will develop a participant file for each job seeker registered for WIA services and will maintain copies of all required application and registration forms, as well as copies of all required eligibility documentation in each registered participant's file. Unless required or allowed in writing by DLEG, Michigan HRDI does not plan to use self-certification as the sole support for WIA eligibility, but will register only those participants with documentation (as defined in the PMIG) to support WIA eligibility. The participant file shall also contain documentation that the participant has made use of one or more self-service Core services and has failed to obtain through the use of such services. All individuals referred by ES from self-service Core Services but not eligible for WIA registration will be referred back to the Employment Service provider. HRDI staff will maintain a record of such referrals in the applicant's file. Those dislocated workers whose eligibility for WIA services is documented and certified will be considered as eligible applicants and will be registered for staff-assisted WIA Core Services insofar as such a point in time as resources and staffing are sufficient to provide the services they need.

Dislocated workers that are recruited and registered for WIA services by service providers in contiguous MWAs (where HRDI does not have on-site staff permanently stationed) will complete intake, eligibility verification and registration with the MWA's dislocated worker contractors. In most cases, MWA contractors will provide Core and Intensive Services directly and will contact HRDI for assistance with training for participants who they have already certified eligible, and who have enrolled for WIA services and have been unable to obtain employment through Core and Intensive services. At this point, Michigan HRDI staff will meet with MWA service provider staff to review the participant's file, including the Individual Service Strategy (ISS), and to jointly agree on an appropriate training that can lead to unsubsidized employment.

Eligible applicants who are unable to secure employment through the use of regular self-serve Core services - and who are judged to be in need of additional employment and training assistance - will meet with HRDI staff to review the WIA activities and services available after registration. Based on this review, staff and the participant will jointly determine whether his/her needs can best be met through registration for staff-assisted Core Services or Intensive services. Once this determination has been made, the applicant will complete the intake and registration process and be enrolled at the appropriate level of WIA services. Initially after registration, all participants will complete a basic reading and math assessment (with the results to be included in an individual applicant file). Michigan HRDI will use The Wide Range Achievement Test (WRAT) for math and the REVRAC Reading Progress Scale for Reading. In addition, each job seeker receiving regular core services will provide a copy of his/her Michigan Talent Bank resume to HRDI and will complete a detailed employment, education and training history that can be used to develop an Individual Service Strategy.

Specialized assessments – such as Work Keys or JobFit – shall only be provided to job seekers who are registered for WIA intensive or training services. Such assessments may be required to match job with Individual Training Account (ITA) Classroom Training opportunities or with employers who have very specific job skill, aptitude or ability requirements for new hires or who have job openings with Work Keys or JobFit profiles. The use of such assessments for employer direct placement or on-the-job training (OJT) referrals will only be considered in cases where employers have high skill job openings with excellent wages, fringe benefits and opportunities for upward mobility. Such assessments will be scheduled individually, as needed, and will be purchased individually, at off-the-shelf prices, from qualified agencies such as Community Colleges, ISD skill centers or rehabilitation agencies with demonstrated capabilities in administering assessments.



1.2 *Roles and Responsibilities*

1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

The Contractor must provide a project manager to act as a central point of contact for all contractual activities. The following Contractor staff will be assigned to this Contract:

Contractor Response:

Michigan HRDI staff assigned to the DLEG Statewide Dislocated Worker Program proposed herein fall into two categories: Central Office Management and Administrative Staff , with 1.45 full time equivalent (FTE) staff and MWA one-stop service center staff, with 6.9 FTE (1.4 FTE Regional Managers or Coordinators and 5.5 FTEs Employment and Training Specialists). Frances Sibley, the Michigan HRDI Chief Executive Officer will serve as the Project Manager for the proposed DLEG Statewide Dislocated Worker Project. Listed below are the staff positions assigned to the proposed grant. Each staff position has roles and responsibilities, along with the names and full time equivalent percentages assigned to the project. See attached organization chart (Article 1, Attachment B) for locations and geographical areas of responsibility.

Michigan HRDI Central Office Staff:

Chief Executive Officer – Frances Sibley

The Chief Executive Officer (CEO) will serve as project manager for the proposed Statewide Dislocated Worker Project, and she will serve as the HRDI contact person for the DLEG Contract Compliance Inspector. She will be responsible for the overall management and administration of the project. She will supervise all central office staff listed below, and she will be responsible, either directly or through her staff, for assuring that the project complies with all contract requirements and performance and expenditure goals, that the project meets all WIA performance standards, and that HRDI complies with all contract requirements for project plan management, reporting, issue management risk management and other proposed activities as described herein. She is also responsible for human resource management.

Chief Operating Officer – Jim Lautenschleger

Responsible for all corporate business services activities, implementation and expansion of the BEST process, development and implementation of local business services units, oversight of business services activities and liaison for business services with HRDI Regional Managers and with state and regional economic development and business organizations.

Safety and Health Director – Derrick Quinney

Responsible for identifying businesses with workforce development needs and job openings appropriate for dislocated workers and referring such employers to HRDI Statewide Dislocated Worker program staff to match and place dislocated worker program participants with such employers and job openings.

Contract Manager – Michelle Guth-Beach

The Contract Manager is responsible for review and initial verification of all OJT contracts and Employer Payment Invoices, Classroom Training (ITA) Vouchers, and Supportive Services Payments, for maintaining MIS for tracking supportive service payments, for completing monthly reports on contract performance and expenditures, and for drafting all budgets, participant plans and budget and plan modifications for the Chief Executive Officer. She is also responsible for human resource support.

Fiscal Manager – Teresa Ouderkirk

Maintains fiscal records, cost allocations, payroll, bank reconciliation, reviews invoices and policies for compliance, prepares financial reports for funding sources. Also develops budget projections, prepares for and assists with audits and monitoring, prepares responses to auditors and monitors and manages accounts payable and receivable.

**Monitoring/Compliance Manager – John Kreucher**

Responsible for conducting internal on-site monitoring of Statewide Dislocated Worker Contract participant files in each MWA area, for issuing monitoring reports, receiving and reviewing corrective action reports and following up to assure implementation of corrective action. Also obtains performance and expenditure information from the contract manager, drafts quarterly reports for the CEO, drafts responses to performance, expenditures and compliance issues identified by DLEG and to DLEG monitoring reports and provides staff support for risk management as described herein.

MIS/Fiscal Specialist – Sandra Payne

Responsible for reviewing all MIS forms, OJT contracts and reimbursement requests, MIS data entry and generating regular MIS reports on performance and expenditure as well as custom reports as required. She is also responsible for accounts payable and receivable.

Secretary – Patricia Farhat

Provides clerical support to the Chief Executive Officer and other staff as required. Maintains human resource and project files, serves as central office receptionist, taking and transferring phone calls and messages for Central Office management staff.

MWA One-Stop Service Center Staff:**WIA Regional Manager/Coordinator**

Responsible for supervision of WIA program staff, developing and maintaining collaborative working relationships with MWA staff, Service Center partners, economic development, business, training organizations and community agencies, managing referral and recruitment interface with Employment Service contractors, supervising and conducting employer outreach and identification of job openings and employer referrals. Also responsible for development and implementation and reviewing, verifying and transmitting to Central Office all OJT contracts, and CRT (ITA) and supportive service vouchers. The Manager is also responsible for regularly reviewing program performance, completing performance and other reports as required.

The Following Regional Managers and Coordinators are assigned to the Statewide Dislocated Worker Grant. MWA areas of oversight responsibility are noted.

Walter Lodes-Regional Manager – ACSET, Michigan Works West Central, Central Area Partnership, Ottawa County

Ronald Rose-Regional Manager – Kalamazoo/St. Joseph, CISD, South Central Michigan Works, Washtenaw, SEMCA, Berrien, Cass, Van Buren

Terry Corts-Coordinator – Capital Area Michigan Works

Employment and Training Specialists:

Employment and Training Specialists are responsible for working with service center partners on dislocated worker outreach and recruitment, WIA orientations, eligibility certification and registration, participant assessment and ISS development, participant case management (including case notes), maintenance of participant files, pre-vocational services, and referral of participants to partners and community agencies for additional services. E and T Specialists participate in employer outreach to identify employer job openings, they match dislocated workers with job openings and refer participants to employers for applications, interviews and hiring, and they also develop OJT contracts and CRT (ITA) vouchers and recruit and select dislocated worker candidates for customized employer recruitment and training. They complete and process supportive service vouchers, verify training completion, placement and retention, and follow-up, and they transmit information to the HRDI central office MIS specialist on all participant enrollments, status changes, activities, terminations, placements, follow-up information and supplemental data.



CISD, South Central Michigan Works, Kalamazoo/St. Joseph, Berrien, Cass, Van Buren:
 William Slone
 Kevin Johns
 Sharon Blankenship
 Barbara Malsch

Washtenaw: Gregory Mitchell

SEMCA: Valerie Kindle

CAPC: Donald Pellow

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

Department of Labor & Economic Growth, Bureau of Workforce Programs, Workforce Training & Development, WIA staff will be responsible for the day-to-day administration of the Contract and will be the contact staff for any questions or requests for information regarding this Contract.

1.203 OTHER ROLES AND RESPONSIBILITIES - RESERVED

1.3 Project Plan

1.301 PROJECT PLAN MANAGEMENT

The project will be reviewed through quarterly program reports generated through the MIS system and quarterly fiscal reporting as submitted to the DLEG/Office of Finance and Administrative Services. Following is the proposed project management plan.

Contractor Response:

Michigan HRDI has in place automated systems to track and report on performance, revenues, expenditures and cash flow against plan, under cost reimbursement contracts.

HRDI central office staff will develop internal monthly performance plans, with monthly performance expressed cumulatively for projected enrollments, terminations and placements into unsubsidized employment. Likewise, Central office staff will develop internal monthly expenditure plans. The monthly performance and expenditure plans will be consistent with quarterly participant outcome and expenditure plans contained in this proposal, but they will allow HRDI to track performance and expenditures more frequently than quarterly and to identify and correct program performance and expenditure problems early in order to avoid under-performance or under or over-expenditure on quarterly reports. In order to be able to identify the specific sources of any under-performance and to develop corrective action for such under-performance, the Contract Manager will also break out projected performance and outcomes (enrollments, terminations and placements) for the program year by Michigan Works Area, based on the Statewide Dislocated Worker program staffing assigned to each area.

Performance tracking is accomplished through a monthly, cumulative review of all participant enrollments, terminations and placements (in total and by program category) under the DLEG statewide dislocated worker program proposed herein.

Monthly, the HRDI Contract Manager will acquire an end-of-month MIS Participant Listing Report #WIA721 that lists all dislocated worker participants registered under the contract, with enrollment date, service levels and activities (with start and end dates for each), exit date and placement wage. The Contract Manager will also get end-of-month expenditure reports for the DLEG Statewide Dislocated Worker program contract from the Fiscal Manager, and she will complete a monthly performance and expenditure report for the DLEG contract, showing performance (enrollments, terminations and placements by program category) against plan, both to date and for the contract year. The monthly performance report will list planned performance (cumulatively by month and annually) for enrollments, terminations and placement and actual cumulative enrollments for the month.



The report will then also list actual cumulative enrollments, terminations and placements for that month and will show actual enrollments, terminations and placements as percentages of both the monthly cumulative plan and the annual plan.

These reports will be reviewed monthly by the Contract Manager and the Chief Executive Officer to identify areas of under performance needing corrective action. In any cases where underperformance is noted, the Contract Manager will review enrollments, terminations and placements on the month-end participant report for participants enrolled by staff in each MWA against each MWA's performance plan, to identify the specific locations where underperformance is occurring. Based on this analysis, the Chief Executive Officer, working with and through the Monitoring/Compliance Manager, will notify the appropriate Regional Manager or Coordinator of the underperformance and request a corrective action response. The Contract Manager will review performance in succeeding months to assure that the corrective action has been effective and the underperformance has been eliminated. By reviewing performance monthly, HRDI will be able to take immediate action to identify and correct performance problems, thus avoiding the greater performance problems that would occur if such reviews were only completed quarterly.

The MIS and Fiscal staff will also issue performance data reports by field office and contract so that performance against plan can be assessed and deficiencies corrected in an immediate and timely manner.

In addition to monthly MIS reports indicating DLEG Statewide dislocated worker contract performance, the Contract Manager will also acquire copies of the monthly report on DLEG contract revenues, expenditures and cash balances issued by the HRDI Fiscal Manager and will enter monthly and cumulative expenditure information on the monthly performance-expenditure report. The monthly expenditure report will list planned expenditures (cumulatively by month and annually) and actual cumulative expenditures for the month. The report will then show actual expenditures as percentages of both the monthly cumulative plan and the annual plan. As with the performance reports described above, that will enable central office managers to assess the degree of compliance with expenditure plans and budgets and to take corrective action if needed.

The Contract Manager will also acquire monthly a copy of the monthly Summary of Participant Characteristics MIS report # WIA770 for the DLEG contract. This report will show cumulative enrollments, exits, placements and average placements, and it also lists participant number by demographic groups. This report allows the Contract Manager to assess the extent to which certain quality indicator targets such as placement wage, placement rate, and follow-up employment levels are being met or exceeded, and it also provides information that can be used to identify levels of service to specific population groups. Again, in cases where such targets are not being met, central office management will require a corrective action response from the appropriate Regional Manager(s). These reports also provide information needed to assess compliance on achieving required target population enrollment levels.

HRDI systems, procedures and controls are sufficiently detailed to allow for tracking, analysis and corrective action in the areas of performance, revenues, expenditures, cash flow and adherence to contract performance goals and objectives. Current systems are in place to track performance and expenditure levels against plan for cost reimbursement contracts. Michigan HRDI has operated, managed and performed successfully under cost reimbursement contracts for the last nineteen program years, and annual monitoring by Michigan Works Agencies and the State of Michigan and annual single audits examining HRDI's performance, compliance, systems, policies, procedures and record keeping have indicated no significant or unresolved findings.

1.302 REPORTS

The following reports and monitoring will be required for this Contract:

- A. Monitoring: The Contractor will monitor performance to assure that time schedules are being met and program and fiscal goals are satisfactorily within planned performance.



- B. Reporting: The Contractor will track and report expenditures in accordance with the WIA regulations. All quarterly financial expenditure reports shall be on an accrued basis. Accrued expenditures are defined as actual expenditures through a specific reporting period plus an estimate of costs incurred for goods and services that have been received but have not yet been paid. The described fiscal reporting will be submitted to DLEG/Office of Finance and Administrative Services no later than the 20th calendar day after the end of the calendar quarter being reported. Should this date fall on a weekend or state recognized holiday, the report is due the last business day prior to the 20th.

All other fiscal reporting requirements to be adhered to are in accordance with DLEG Policy Issuance 02-19, issued May 23, 2002.

Actual disbursement of funds to the Contractor will be on a cash reimbursement basis. Invoices may be submitted by the Contractor as needed in order to minimize the time period between receipt and disbursement of funds, in accordance with the Federal Cash Management Improvement Act.

The Contractor will insure that all WIA required participant reporting is in accordance with DLEG/Bureau of Workforce Programs (BWP) Policy Issuance 00-32, issued June 14, 2000 and subsequent changes.

- C. Program Narrative: A program narrative progress report must be submitted to the DLEG Contract Compliance Inspector twenty (20) days after the end of each quarter. At minimum, the report must give the actual and planned number of participants, terminations, and placements, the actual and planned amount of expenditures, the actual and planned figures for the six (6) performance measures, as well as an explanation for any significant deviation (i.e., -15 percent or more) from planned performance. Developments, such as delays in layoffs, unexpected layoffs, obstacles to training and placement, et cetera, must also be reported.
- D. Semi-Annual Report: The Contractor shall submit to the Contract Compliance Inspector a semi-annual report within 30 days after the end of the reporting period that briefly presents the progress of the program objectives outlining the work accomplished during the reporting period and the work to be completed during the subsequent reporting period. The semi-annual reporting period shall encompass the period of July 1, 2006, through December 31, 2006. Please note that the quarterly narrative report that will be submitted for the period ending December 31, 2006, which is cumulative from July 1, 2006, will serve as the semi-annual report.
- E. A Final Report is required. The Contractor will submit a final report to the Contract Compliance Inspector within 30 days after the end of the Contract period which provides the amount of funds expended, number of participants served in each program, and other program statistics of interest regarding the programs (such as program retention rates, placement rate or progress, average wages, and/or other applicable measures). The final reporting period shall encompass the full Contract period of July 1, 2006, through June 30, 2007. Please note that the quarterly narrative report that will be submitted for the period ending June 30, 2007, which is cumulative from June 1, 2006, will serve as the final report.

Contractor Response:

As a State of Michigan contractor providing workforce development services for dislocated workers continuously for over 20 years, and as a current Michigan Department of Labor and Economic Growth (DLEG) contractor operating the Statewide Dislocated Worker program, Michigan HRDI has in place effective systems managing contracts and monitoring performance and expenditures, and Michigan HRDI is familiar with and has consistently complied with all requirements for narrative, performance and fiscal reporting as follows.

Monitoring: As indicated in the response to section 1.301 above, Michigan HRDI currently has in place and now uses for its existing DLEG Statewide Dislocated Worker Contract specific procedures for monthly monitoring of performance and expenditures against plan and for corrective action to remedy any under performance or under or over expenditure noted during monthly monitoring. Michigan HRDI will use these monitoring procedures to track performance and expenditures and assure compliance with contract performance and expenditure plans if it is awarded the PY 2006 Statewide Dislocated Worker contract applied for herein.



Reporting: As indicated above, Michigan HRDI has complied successfully with all State of Michigan Financial Reporting and Cash Request policies and procedures for recording, tracking and reporting expenditures in accordance with WIA regulations. For its current Statewide Dislocated Worker Contract with DLEG, Michigan HRDI reports all expenditures to DLEG/Office of Finance and Administrative Services on a quarterly basis. All HRDI grant expenditures are recorded and reported on an accrual basis. DLEG quarterly financial expenditure reports are produced from a "statement of activities" that is produced by the SAGE government/non-profit fund accounting software that HRDI uses to account for all its grant funds. The statement of activities lists all grant expenditures (separately for each individual HRDI grant) by the quarter and also year-to-date (YTD), and the information on this report is used to produce the quarterly and year-to-date expenditure detail that is included in each quarterly financial expenditure report. In order to determine accruals for each quarterly report, the HRDI fiscal managers reviews MIS listings to identify any unpaid training obligations (Individual Training Account Classroom Training vouchers or on-the-job training contracts) as well as reviewing all vendor invoices for goods and/or services that have been received but not paid. All HRDI quarterly financial expenditure reports are submitted to the DLEG Office of Finance and Administrative Services no later than the 20th day of the month after the last month of the quarter covered in the expenditure report. HRDI complies with all fiscal reporting requirements contained in DLEG 02-19, issued May 23, 2002.

Michigan HRDI requests disbursements of Statewide Dislocated Worker grant funds from DLEG, on a cash reimbursement basis, on an as-needed basis to maintain no more than three days cash on hand. In order to produce a DLEG cash request, the HRDI Fiscal Manager will first run a "statement of activities" (see above) to identify HRDI's cash needs. The Manager will then also review an MIS listing for unpaid training expenditures (as described above) and invoices for unpaid vendor expenses and will project upcoming cash needs for payroll expenses. The "accruals" included in cash requests are those that will be payable within 8-10 days of the date of the cash request, to account for 5-7 days DLEG time for processing the request and issuing the payment and 3 days allowable cash on hand after the cash from the request has been received.

Michigan HRDI's accounting system, fiscal reporting and cash requests are monitored annually by the State of Michigan and each Michigan Works Agency that contracts with HRDI (7 MWAs in the current year) and on a less frequent basis (including the current year) by US Department of Labor Region V (as part of its monitoring of an MWA that contracts with HRDI). In all of this monitoring, as well as in our annual single audits, HRDI has had no significant findings and has no unresolved findings.

Michigan HRDI will use the same fiscal accounting and reporting systems described above if it is awarded the PY 2006 Statewide Dislocated Worker contract applied for herein.

Program Narrative: Michigan HRDI currently does produce and submit quarterly narrative reports to its Project Manager/Contract Compliance Inspector on its Statewide Dislocated Worker Contract with the Department of Labor and Economic Growth. These reports are issued 20 days after the end of each quarter, and they include information on cumulative performance and expenditures through the end of the quarter. Specifically, the report indicates actual performance on dislocated worker participant enrollments, terminations and placements measured against plan, with the plus/minus deviance from plan. The report also lists actual cumulative grant expenditure through the end of the quarter, also measured against the cumulative expenditure plan, with plus/minus deviance. HRDI lists the performance of the Statewide Grant on the federal WIA dislocated worker performance standards, based on the last DLEG quarterly performance standards report issued prior to end of the quarter covered in the narrative report. HRDI will also include a narrative explanation and proposed corrective action for any significant deviation from planned performance. Michigan HRDI will continue to issue such quarterly reports to DLEG as described in this section, if it is awarded the PY 2006 Statewide Dislocated Worker contract applied for herein.

Semi-Annual Report: As indicated in the "Program Narrative" report above, Michigan HRDI does issue a second quarter report for its DLEG Statewide Dislocated Worker program each grant year, and this report does serve as the "semi-annual report". In addition to the contents of the report as described in the paragraph immediately above, HRDI does include discussion of its projected performance for the second half of the program year, and it does cover discussion of achievements expected through the end of the program year. As with the quarterly program narrative described above, HRDI will issue a semi-annual report as described herein if it is awarded the Statewide Dislocated Worker Contract in the upcoming program year 2006.



Final Report: As with the quarterly and semi-annual reports described, HRDI issues an annual report each grant year, at the end of the fourth quarter. This report is the fourth of four quarterly reports, it is transmitted to the DLEG Contract Compliance Inspector, and it includes final data on total program enrollments, terminations, placements, placement percentage and average placement wage, with each of these final figures measured against the performance plan for the contract. The same comparative information is included on final expenditures. The report also includes information on achievement of performance standard levels and any other information of interest or particular achievements (e.g. higher than planned placement rate or high levels of achievement on performance standards). HRDI will issue a final program report as described herein if it is awarded the Statewide Dislocated Worker Contract in the upcoming program year 2006.

1.4 Project Management

1.401 ISSUE MANAGEMENT

Project quarterly reporting will be reviewed by WIA section staff upon submission by the 20th day following the conclusion of the quarter to identify any existing or emerging issues. WIA section staff will then work to satisfy these issues prior to the completion of the next quarter's reporting. Following discusses how issues will be addressed when they arise and how appropriate parties will be apprised of progress.

Contractor Response:

For issue management, Michigan HRDI will use the same process that it uses for its internal monitoring system. The first step is problem identification, the second step is definition of the cause of the problem, the third step is proposed corrective action, the fourth step is implementation of corrective action, the fifth step is data analysis to verify the results of corrective action, the final step is confirmation of problem resolution or, if the problem is not resolved or not sufficiently resolved, the process will be repeated with an initial focus on re-definition of causes and alternative approaches to corrective action.

The HRDI Chief Executive Officer (CEO), serving as the Statewide Dislocated Worker Project Manager, will be the DLEG Contract Compliance Inspector's initial point of contact with Michigan HRDI to communicate any issues identified in the quarterly reports that require explanation, response or corrective action – particularly those dealing with performance or expenditure. When such issues have been communicated to the CEO, she will meet with the HRDI Monitoring/Compliance Manager (who is responsible for reviewing DLEG contract performance and expenditure data and drafting the quarterly reports for the CEO) to discuss the issue. She will direct the Monitoring/Compliance Manager to review the appropriate participant and fiscal data, and either prepare a response or clarification or identify the cause of the problem, solicit information on the problem from appropriate staff and managers and develop a draft corrective action plan. The CEO will communicate responses and explanations and/or proposed corrective action (as appropriate) to the DLEG Contract Compliance Inspector and will direct the HRDI Monitoring/Compliance Manager to implement the corrective action plan and to report back to her on results. The HRDI Monitoring/Compliance Manager will then include follow-up information on the corrective action, as well as citing data showing quantitative or qualitative improvements, in the next quarterly report. This process will be ongoing through the contract year.

1.402 RISK MANAGEMENT

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. Following is a description of the Contractor's risk management process.

**Contractor Response:**

With over 20 years experience in designing, implementing and operating state and federally funded employment and training programs, Michigan HRDI has developed a risk management process designed to identify and remediate issues that could negatively impact achievement of program goals and objectives. The Risk Management team is led by the Chief Executive Officer (CEO) and also includes the Chief Operating Officer (COO), the Monitoring/Compliance Manager, two senior Regional Managers, an employment specialist and a business services representative. The field staff, Regional Managers, employment specialist and business services representatives serve on the team for one year and are selected from various areas of the state to represent the Michigan Works Areas served by Michigan HRDI. The team meets at the beginning of each program year (July 1) for a daylong risk management/strategic planning session. Based on experience, each program is reviewed for possible risk drivers, which may include:

1. The Economy and Labor Market Information

- The State's overall economy
- Local unemployment rates
- WARN Notices - Mass Lay-offs and Closures
- Declining fields and emerging occupations

2. The Workforce and Employer Needs

- Size and composition of the labor force by region
- Skills and abilities of labor force
- Size and composition of regional employer base
- Significant changes – past and projected - in employer base
- Career development and educational resources

3. Funding Allocations

- Staffing – capabilities, cross-training, turnover
- Training and Supportive Service funds available
- Contract restrictions on funding use

4. Performance and Compliance – Previous Program Year

- Performance against plan by contract/program
- Compliance – Monitoring and Audit findings

The first two risk drivers, the economy and labor market trends and the composition of the workforce and employer demands, represent the two primary customer groups (job seekers and employers) of the workforce development system, and they also represent, respectively, the supply and demand side of the system. Identification of risk, especially the potential negative impact on performance, will involve the relationship between supply and demand in each region. For example, if a region has a significant number of mass layoffs and closures, with little or no business attraction or expansion activity, then the increase in supply and decrease in demand creates an imbalance that provides unique problems for workforce development performance in that region. Mitigation strategies would have to address methods for achieving performance by somehow decreasing supply or increasing demand (bringing the two into balance). Strategies might include more aggressive and systematic employer outreach to identify more job openings available to laid off workers (increase demand), the potential for intervention with at-risk businesses to avert layoffs and closures (decrease supply), or development of skill training programs for jobs in highest demand (more closely matching supply with demand).

Funding allocations fluctuate from year to year and must be factored into any risk management plan for workforce development. First and foremost, funding allocations in each HRDI contract affect the level (and perhaps qualification and capabilities) of staffing available to achieve required performance. In addition, the amount of funds available for services (training and support) and contractual limits or special conditions for the use of funds can limit resources and activities available to achieve performance. If budget limitations on staff costs create risk by limiting the number of staff available, the mitigation strategy might be the elimination of staff specialization and increasing cross training so that fewer staff can provide all functions necessary for achievement of contract performance goals and objectives. Other strategies for mitigating risks in this area might include revising the mix of available services and activities to comply with contract budget factors, negotiating changes in contract restrictions on use of funds, or modifying budgets to move funds between line items to support necessary funding levels for activities more closely tied to high performance.



Finally, the Risk Management team will review all monitoring reports (from all funding sources, including MWAs and DLEG) and the single audit from the previous year, in order to identify any findings that could indicate risks needing mitigation. In this regard, special attention would be paid to any findings that have the potential to create questioned or disallowed costs (e.g. problems in eligibility determination or documentation for registered participants or problems with completion and execution of training contracts or vouchers) or could have an impact on future funding (e.g. significant underperformance on achieving contract performance goals or on achieving mandated WIA performance).

Once all potential risks and risk drivers are identified, the team will prioritize risks based on probability and potential impact (e.g. unresolved monitoring findings indicating risk drivers that could cause disallowed costs or loss of funding or contracts would be considered high priority). Based on these priorities, the team will develop a strategic plan for mitigating these factors throughout the program year. The plan will identify and define specific mitigation activities, staff assigned to each activity and timelines for completion of activities and tasks. Because certain issues with the potential to cause disallowed costs are consistent and ongoing risks (e.g. proper eligibility determination and documentation and properly completed and executed contracts and vouchers that create and support expenditures), HRDI has assigned the task of ongoing internal monitoring of these and other recurring risk drivers to the Monitoring/Compliance manager. For other risk drivers, managers and/or staff will be assigned responsibility for mitigation activities based either on their MWA location or their particular expertise. The team meets quarterly to review action on and achievement of outcomes of mitigation activities, progress on risk mitigation, and identification of new risks or the need for further action on identified risks. The team will update the update the strategic plan and include and new or additional challenges that have arising during the previous quarter.

1.403 CHANGE MANAGEMENT

Change will only take place with the reauthorization or revision of the WIA program by USDOL. In addition, any requests of program change by the selected contractor will be reviewed, analyzed, and either approved or denied by the director of the BWP.

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, Purchasing Operations Buyer, who will make recommendations to the Director of Purchasing Operations regarding ultimate approval/disapproval of change request. If the DMB Purchasing Operations Director agrees with the proposed modification, and all required approvals are obtained (including State Administrative Board), the Purchasing Operations Buyer will issue an addendum to the Contract, via a Contract Change Notice. **Vendors who provide products or services prior to the issuance of a Contract Change Notice by the DMB Purchasing Operations, 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.

1. Entered Employment Rate of 90.0% - The Entered Employment Rate is defined as the number of dislocated workers who have entered employment by the end of the 1st quarter after exit divided by number of dislocated workers who exit during the quarter;

NOTE: The achievement of the Entered Employment Rate will be verified by the DLEG using the Wage Record Data.



2. Employment Retention Rate of 88.0% - The Employment Retention Rate of those who are employed in the 1st quarter after exit is defined as the number of dislocated workers who are employed in the 3rd quarter after exit divided by the number of dislocated workers who exit during the quarter;

NOTE: The achievement of the Employment Retention Rate will be verified by the DLEG using the Wage Record Data.

3. Earnings Replacement Rate of -\$1,200 - The Earnings Replacement Rate of those who are employed in the 1st quarter after exit is defined as the total Post-Program Earnings (earning in quarter 2 plus quarter 3 after exit) divided by Pre-Dislocation Earnings (earnings in quarter 2 plus quarter 3 prior to dislocation); and,

NOTE: The achievement of the Earnings Replacement Rate will be verified by the DLEG using the Wage Record Data.

4. Employment and Credential Rate of 81.0% - The Employment and Credential Rate of those who received training services is defined as the number of dislocated workers who were employed in the 1st quarter after exit and received a credential by the end of the 3rd quarter after exit divided by the number of dislocated workers who exit during the quarter.

NOTE: The achievement of the Employment and Credential Rate will be verified by the DLEG using a combination of the Wage Record Data and the DLEG Central Internet System of participant data.

5. Participant Customer Satisfaction Rate of 90%- The Participant Customer Satisfaction Rate of all participants who exit the program is defined as the weighted average of each of three questions regarding overall satisfaction reported on a 0-100 point scale.
6. Employer Customer Satisfaction Rate of 84%- The Employer Customer Satisfaction Rate of all employers served by the program is defined as the weighted average of each of three questions regarding overall satisfaction reported on a 0-100 point scale.

1.502 FINAL ACCEPTANCE

Final acceptance will be based upon the Contractor's ability to demonstrate that the following performance measures will be met or exceeded for this Project:

- | | |
|-------------------------------------------------------------------------|----------|
| • Entered Employment Rate (first quarter after exit) must be at least | 90.0% |
| • Employment Retention Rate (third quarter after exit) must be at least | 88.0% |
| • Average Earnings Change (in six months) must be at least | -\$1,200 |
| • Employment and Credential* Rate must be at least | 81.0% |
| • Participant Customer Satisfaction must be at least | 90.0% |
| • Employer Customer Satisfaction must be at least | 85.0% |

1.6 Compensation and Payment

1.601 COMPENSATION AND PAYMENT

For Authorized Services and Price List see Article 1, Attachment A.

The contractor will be held to 90 percent program related activities [i.e., core intensive and training services] and 10 percent administrative relative activities.

1.7 Additional Terms and Conditions Specific to this SOW - RESERVED



Article 1, Attachment A
Pricing

All prices quoted for this Contract shall remain firm for the duration of the Contract. No price changes will be permitted.

The following Pricing Charts must be filled out completely:

PROGRAM ACTIVITY

<input type="checkbox"/> CORE SERVICES (REGULAR)	<input checked="" type="checkbox"/> CORE SERVICES (REGISTERED PARTICIPANTS)
<input checked="" type="checkbox"/> INTENSIVE SERVICES	<input checked="" type="checkbox"/> TRAINING SERVICES
<input checked="" type="checkbox"/> NEEDS RELATED PAYMENTS/SUPPORT SERVICES	

PLANNED EXPENDITURES

COST CATEGORIES	WIA	OTHER	TOTALS
1. CORE SERVICES (Self-Assisted)			
2. CORE SERVICES (Registered participants/Staff-assisted))	\$210,000		\$210,000
3. INTENSIVE SERVICES	\$280,000		\$280,000
4. TRAINING SERVICES	\$500,000		\$500,000
5. SUPPORTIVE SERVICES/ NEEDS RELATED PAYMENTS	\$10,000		\$10,000
6. TOTAL	\$1,000,000		\$1,000,000

CUMULATIVE EXPENDITURES BY QUARTER AND PROGRAM CATEGORIES

CUMULATIVE QUARTERS	(2) CORE SERVICES (Regular)	(3) CORE SERVICES (Registered Participants)	(4) INTENSIVE SERVICES	(5) TRAINING	(6) SUPPORT SERVICES/ NEEDS RELATED PAYMENTS	(7) TOTAL
07/01/06 TO 09/30/06	0	\$52,500	\$70,000	\$88,750	\$2,500	\$213,750
07/01/06 TO 12/31/06	0	\$105,000	\$140,000	\$213,750	\$5,000	\$463,750
07/01/06 TO 03/31/07	0	\$157,500	\$210,000	\$338,750	\$7,500	\$713,750
07/01/06 TO 06/30/07	0	\$210,000	\$280,000	\$500,000	\$10,000	\$1,000,000



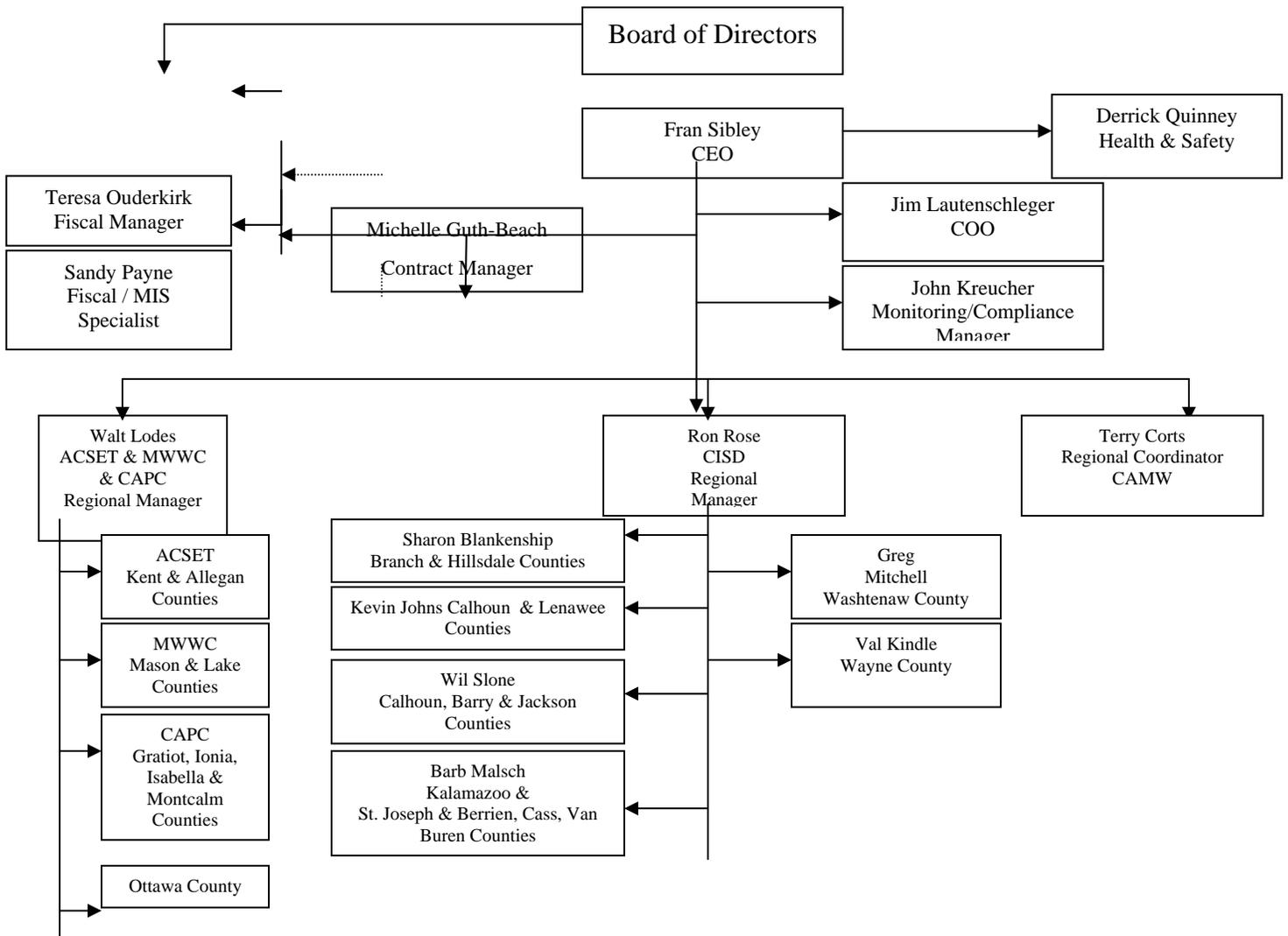
PARTICIPANT PLAN BY QUARTER AND EXIT FROM PROGRAM CATEGORY

CUMULATIVE QUARTERS	(1) TOTAL PARTICIPANTS	(2) TOTAL PARTICIPANTS EXITED FROM PROGRAM	(3) TOTAL PARTICIPANTS EXITED TO EMPLOYMENT	(4) TOTAL PARTICIPANTS EXITED FROM TRAINING	(5) TOTAL PARTICIPANTS WHO RECEIVED CREDENTIALS	(6) OTHER PARTICIPANTS EXITED	(7) TOTAL CURRENT PARTICIPANTS
07/01/06 TO 09/30/06	65	29	26	10	24	3	36
07/01/06 TO 12/31/06	165	83	75	30	67	8	82
07/01/06 TO 03/31/07	260	179	161	70	145	18	81
07/01/06 TO 06/30/07	417	417	376	167	338	41	0



Article 1, Attachment B
Organizational Chart, including Key Personnel

**Michigan State AFL-CIO Human Resources Development, Inc.
Statewide Dislocated Worker Program Organizational Chart**





Article 1, Attachment C, D, E & F - 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, Purchasing Operations and Department of Labor and Economic Growth (DLEG) (collectively, including all other relevant State of Michigan departments and agencies, the "State"). PURCHASING OPERATIONS is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. **PURCHASING OPERATIONS is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract.** The Contractor Administrator within the Purchasing Operations for this Contract is:

Melissa Castro, CPPB
Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
Email: castrom@michigan.gov
Phone: 517-373-1080

2.015 Contract Compliance Inspector

Upon receipt at PURCHASING OPERATIONS of the properly executed Contract, it is anticipated that the Director of DMB Purchasing Operations, in consultation with the Michigan Department of Labor & Economic Growth, will direct that the person named below, or any other person so designated, be authorized to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring of this Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of such Contract as that authority is retained by the Purchasing Operations.** The Contract Compliance Inspector for this Contract is:

Louis M. Simms
Department of Labor & Economic Growth
Victor Office Building, 5th Floor, 201 North Washington Square
Lansing, MI 48913
Email: simmsl@Michigan.gov
Phone: (517) 335-5972

2.016 Project Manager

The following individual will oversee the project:

Louis M. Simms
Department of Labor & Economic Growth
Victor Office Building, 201 North Washington Square, 5th Floor
Lansing, Michigan 48913
Email: simmsl@Michigan.gov
Phone: (517) 335-5972
Fax: (517)373-7794

2.020 Contract Objectives/Scope/Background

2.021 Background - RESERVED

2.022 Purpose - RESERVED

2.23 Objectives and Scope – RESERVED



2.024 Interpretation - RESERVED

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 one (1) year commencing July 1, 2006 through June 30, 2007. 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 in writing by mutual agreement of the parties not less than thirty (30) days before its expiration. The Contract may be renewed for up to two (2) additional one (1) year periods. Successful completion of negotiations surrounding the terms of the extension, will be a pre-requisite for the exercise of any option year.

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, Purchasing Operations 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

The Contractor will adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at http://www.michigan.gov/dit/0,1607,7-139-30639_30655---,00.html.

2.052 PM Methodology Standards - RESERVED

2.053 Adherence to Portal Technology Tools

The State has adopted the following tools for its Portal Technology development efforts:

- Vignette Content Management and personalization Tool
- Inktomi Search Engine
- E-Pay Payment Processing Module
- Websphere Commerce Suite for e-Store applications

Unless otherwise stated, Contractor must use the Portal Technology Tools to implement web content management and deployment efforts. Tools used for web-based application development must work in conjunction with Vignette and Inktomi. The interaction with Vignette and Inktomi must be coordinated with DIT, Enterprise Application Services Office, e-Michigan Web Development team.

Contractors that are compelled to use alternate tools must have received an exception from DIT, Enterprise Application Services Office, e-Michigan Web Development team, before this Contract is effective.

2.054 Acceptable Use Policy

To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see <http://www.michigan.gov/ditservice/0,1607,7-179-25781-73760--,00.html>. All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

2.060 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) - RESERVED2.080 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

(a) All Deliverables (Physical Deliverables and Written Deliverables) and Services require formal written approval by the State, in accordance with the following procedures. Formal approval by the State requires that the Deliverable be confirmed in writing by the State to meet its specifications, which will include the successful completion of Testing as applicable in **Section 2.083**, to be led by the State with the support and assistance of Contractor. The parties acknowledge that the approval process set forth herein will be facilitated by ongoing consultation between the parties, visibility of interim and intermediate Deliverables and collaboration on key decisions.

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

(c) Prior to commencement of its review or testing of a Deliverable/Service, the State may inspect the Deliverable/Service to confirm that all components of the Deliverable/Service have been delivered without material deficiencies. If the State determines that the Deliverable/Service has material deficiencies, the State may refuse delivery of the Deliverable/Service without performing any further inspection or testing of the Deliverable/Service. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable or the Service begins, and the State and Contractor agree that the Deliverable/Service is ready for use and, where applicable, certification by Contractor in accordance with **Section 2.083(a)**.

(d) The State will approve in writing a Deliverable/Service upon confirming that it conforms to and, performs in accordance with, its specifications without material deficiency. The State may, but shall not be required to, conditionally approve in writing a Deliverable/Service that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will be responsible for working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable/Service that remain outstanding at the time of State approval.

(e) If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing Final Acceptance of a Deliverable/Service, the State may: (i) demand that Contractor cure the failure and give Contractor additional time to cure the failure at the sole expense of Contractor; or (ii) keep the Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, in which event Contractor shall bear any excess expenditure incurred by the State in so doing beyond the Contract price for such Deliverable/Service and will pay the State an additional sum equal to ten percent (10%) of such excess expenditure to cover the State's general expenses provided the State can furnish proof of such general expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure such breach. Notwithstanding the foregoing, the State shall not use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

(f) The State, at any time and in its reasonable discretion, may halt the testing or approval process if such process reveals deficiencies in or problems with a Deliverable/Service in a sufficient quantity or of a sufficient severity as to make the continuation of such process unproductive or unworkable. In such case, the State may stop using the Service or return the applicable Deliverable to Contractor for correction and re-delivery prior to resuming the testing or approval process.

2.085 Process For Approval of Written Deliverables

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Deliverable (failing which the State Review Period, by default, shall be five (5) Business Days for Written Deliverables of one hundred (100) pages or less and ten (10) Business Days for Written Deliverables of more than one hundred (100) pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable prior to its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.



2.086 Process for Approval of Services

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

2.087 Process for Approval of Physical Deliverables

The State Review Period for approval of Physical Deliverables is governed by the applicable Statement of Work (failing which the State Review Period, by default, shall be thirty (30) continuous Business Days for a Physical Deliverable). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

2.088 Final Acceptance

Unless otherwise stated in the Statement of Work or Purchase Order, "Final Acceptance" of each Deliverable shall occur when each Deliverable/Service has been approved by the State following the State Review Periods identified in **Sections 2.080-2.087**. Payment will be made for Deliverables installed and accepted. Upon acceptance of a Service, the State will pay for all Services provided during the State Review Period that conformed to the acceptance criteria.

2.090 Financial

2.091 Pricing

Fixed Prices for Services/Deliverables:

Each Statement of Work/PO issued under this Contract shall specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. To the extent the parties agree that certain specific Services will be provided on a time and materials basis, such Services shall be provided at the Amendment Labor Rates (Article 1, Attachment C). The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.092 Invoicing and Payment Procedures and Terms

(a) Invoicing and Payment – In General

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

(ii) Each Contractor invoice will show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. The charges for Services billed on a time and materials basis shall be determined based on the actual number of hours of Services performed, at the applicable Labor Rates specified in **Article 1, Attachment C**. Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 2.094**.

(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) Taxes (See Section 2.305 and Article 3, Section 3.022-3.024 for additional)

The State is exempt from Federal Excise Tax, State and Local Sales Taxes, and Use Tax with respect to the sale to and use by it of tangible personal property. Such taxes shall not be included in Contract prices as long as the State maintains such exemptions. Copies of all tax exemption certificates shall be supplied to Contractor, if requested.

(c) Out-of-Pocket Expenses

Contractor acknowledges that the out-of-pocket expenses that Contractor expects to incur in performing the Services/ providing the Deliverables (such as, but not limited to, travel and lodging, document reproduction and shipping, and long distance telephone) are included in Contractor's fixed price for each Statement of Work. Accordingly, Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for such an expense at the State's current travel reimbursement rates. See http://www.mi.gov/dmb/0,1607,7-150-9141_13132---,00.html for current rates.

(d) Pro-ration

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

(e) Antitrust Assignment

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

(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

The State shall have the right to hold back, as a retainage, an amount equal to ten percent (10%) of all amounts invoiced by Contractor for Services/Deliverables. The amounts held back shall be released to Contractor after the State has granted Final Acceptance.

2.095 Electronic Payment Availability

Public Act 533 of 2004 requires that payments under this contract be processed by electronic funds transfer (EFT). Contractor is required to register to receive payments by EFT at the Contract & Payment Express website (www.cpexpress.state.mi.us).

2.100 Contract Management

2.101 Contract Management Responsibility

(a) Contractor shall have overall responsibility for managing and successfully performing and completing the Services/Deliverables, subject to the overall direction and supervision of the State and with the participation and support of the State as specified in this Contract. Contractor's duties will include monitoring and reporting the State's performance of its participation and support responsibilities (as well as Contractor's own responsibilities) and providing timely notice to the State in Contractor's reasonable opinion if the State's failure to perform its responsibilities in accordance with Article 1, Attachment E (Project Plan) is likely to delay the timely achievement of any Contract tasks.

(b) The Services/Deliverables will be provided by the Contractor either directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor will act as a single point of contact coordinating these entities to meet the State's need for Services/Deliverables. Nothing in this Contract, however, shall be construed to authorize or require any party to violate any applicable law or regulation in its performance of this Contract.



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 - RESERVED

2.104 System Changes - RESERVED

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, Purchasing Operations.

(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

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

(b) Examination of Records. Contractor agrees that the State, including its duly authorized representatives, until the expiration of seven (7) years following the creation of the material (collectively, the "Audit Period"), shall, upon twenty (20) days prior written notice, have access to and the right to examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules, including the State's procurement rules, regulations and procedures, and actual performance of the Contract for the purpose of conducting an audit, examination, excerpt and/or transcription but the State shall not have access to any information deemed confidential to Contractor to the extent such access would require such confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

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

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



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.html>. 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

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

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

Notwithstanding the foregoing, the provisions of this Section will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose such information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of this Section will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose such Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of such disclosure as reasonably requested by the furnishing party.

2.155 No Implied Rights

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

**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

In the event of a breach of this Section, Contractor shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor shall report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within ten (10) days of becoming aware of such use or disclosure or such shorter time period as is reasonable under the circumstances.

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

2.161 Ownership

Ownership of Work Product by State. All Deliverables shall be owned by the State and shall be considered works made for hire by the Contractor for the State. The State shall own all United States and international copyrights, trademarks, patents or other proprietary rights in the Deliverables.

2.162 Source Code Escrow - RESERVED**2.163 Rights in Data**

(a) The State will be and remain the owner of all data made available by the State to Contractor or its agents, Subcontractors or representatives pursuant to the Contract. Contractor will not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of Contractor, nor will any employee of Contractor other than those on a strictly need to know basis have access to the State's data. Contractor will not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, Contractor shall only use personally identifiable information as strictly necessary to provide the Services and shall disclose such information only to its employees who have a strict need to know such information. Contractor shall comply at all times with all laws and regulations applicable to such personally identifiable information.

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

2.164 Ownership of Materials

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

**2.165 Standard Software - RESERVED****2.166 Pre-existing Materials for Custom Software Deliverables - RESERVED****2.167 General Skills - 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) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.
- (c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under this Contract, nor their use by the State, will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
- (d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to such items in this Contract, Contractor shall assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
- (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 RFP 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

2.175 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.



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 Purchasing Operations, 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 Purchasing Operations, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected and be mailed to: Director, Purchasing Operations, 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 ten million dollars (\$10,000,000.00), which shall apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.
7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars (\$3,000,000.00) each occurrence and three million dollars (\$3,000,000.00) annual aggregate.
8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of such office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to the replacement value thereof, where such office space and its contents are under the care, custody and control of Contractor. Such policy shall cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State shall be endorsed on the policy as a loss payee as its interests appear.

(b) Subcontractors

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

(c) Certificates of Insurance and Other Requirements

Contractor shall furnish to the Purchasing Operations 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.

2.190 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 which ever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; 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 RFP 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.

(c) 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.



(d) 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 Purchasing Operations, 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 Purchasing Operations, 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 Purchasing Operations.
 - (2) Contractor shall also notify the Purchasing Operations 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 Purchasing Operations 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:

State of Michigan
Purchasing Operations
Attention: Melissa Castro, CPPB
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

Contractor(s):

Michigan AFL-CIO HRDi
Attention: Frances Sibley
419 S. Washington Square, Suite 300
Lansing, MI 48933

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

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

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 - RESERVED

2.310 Reserved

2.320 Extended Purchasing

**2.321 MiDEAL - RESERVED****2.322 State Employee Purchases - RESERVED**2.330 Federal Grant Requirements**2.331 Federal Grant Requirements**

The following links contain certifications and terms which may be required for some purchases paid via Federal funds. They are included here to be utilized as required.

Lobbying Certifications are usually for agreements over \$100,000. The debarment certification is required for all agreements. The last link is where you can go and search for debarred or suspended contractors.

http://straylight.law.cornell.edu/uscode/html/uscode31/usc_sec_31_00001352----000-.html

http://www.archives.gov/federal_register/codification/executive_order/12549.html

http://www.archives.gov/federal_register/executive_orders/pdf/12869.pdf

<http://www.epls.gov/epl/servlet/EPLSearchMain/1>



EXHIBIT 1

**MICHIGAN WORKS! AGENCY
LETTER OF COORDINATION AND SUPPORT FORM**

Applicant Agency: Michigan State AFL-CIO Human Resources Development, Inc.

Project Title: Michigan HRDI Statewide Dislocated Worker Project

This Michigan Works! Agency (MWA) hereby acknowledge that it and the applicant agency named above have coordinated and agreed upon the provision of core and intensive services as briefly described below.

Michigan HRDI is an MWA contractor and a partner in our Michigan Works Service Centers. As such, HRDI will be providing WIA Intensive and Training services and will coordinate with our ES provider to deliver WIA core services. It is our expectation that Michigan HRDI will also recruit, enroll and provide Core, Intensive and Training services directly for a statewide dislocated worker grant using its staff that is located in our Service Centers. We anticipate that HRDI will receive the cooperation of all of our Service Center partners in this Michigan Works area in delivering dislocated worker services under a statewide contract with DLEG.

The MWA also hereby acknowledge that they received a copy of the proposal from the applicant agency in a timely manner to allow for sufficient time for review and comment. Yes No

The MWA (please mark one) concurs does not concur with this proposal. **Please Note: Concurrence or non-concurrence, in whole or in part, along with suggestions, recommendations, and general comments should be submitted by the local MWA to the DLEG by no later than June 1, 2006.**



Authorized Signature for MWA

Capital Area Michigan Works!

Name of MWA

Mr. Douglas E. Stites

Typed Name of Authorized Signature

Address:
2110 S. Cedar St.
Lansing, MI 48910

Chief Executive Officer

Official Title of Authorized Signature

(517) 492-5505

Telephone Number

4/28/06

Date

Comments: (additional pages may be attached)

THE APPLICANT AGENCY MUST HAVE THIS FORM COMPLETED AND SIGNED BY EACH MWA/WDB WHERE SERVICES ARE PLANNED TO BE PROVIDED.

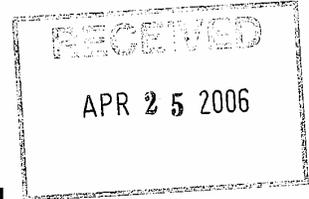


EXHIBIT 1

**MICHIGAN WORKS! AGENCY
LETTER OF COORDINATION AND SUPPORT FORM**

Applicant Agency: Michigan State AFL-CIO Human Resources Development, Inc.

Project Title: Michigan HRDI Statewide Dislocated Worker Project

This Michigan Works! Agency (MWA) hereby acknowledge that it and the applicant agency named above have coordinated and agreed upon the provision of core and intensive services as briefly described below.

Michigan HRDI is an MWA contractor and a partner in our Michigan Works Service Centers. As such, HRDI will be providing WIA Intensive and Training services and will coordinate with our ES provider to deliver WIA core services. It is our expectation that Michigan HRDI will also recruit, enroll and provide Core, Intensive and Training services directly for a statewide dislocated worker grant using its staff that is located in our Service Centers. We anticipate that HRDI will receive the cooperation of all of our Service Center partners in this Michigan Works area in delivering dislocated worker services under a statewide contract with DLEG.

The MWA also hereby acknowledge that they received a copy of the proposal from the applicant agency in a timely manner to allow for sufficient time for review and comment. Yes No

The MWA (please mark one) concurs does not concur with this proposal. **Please Note: Concurrence or non-concurrence, in whole or in part, along with suggestions, recommendations, and general comments should be submitted by the local MWA to the DLEG by no later than June 1, 2006.**

Authorized Signature for MWA

Mr. Christopher Wigent
Typed Name of Authorized Signature

Superintendent
Official Title of Authorized Signature

(269) 789-2409
Telephone Number

Calhoun Intermediate School District
Name of MWA

Address:
17111 G Drive North
Marshall, MI 49068

4/24/06
Date

Comments: (additional pages may be attached)

THE APPLICANT AGENCY MUST HAVE THIS FORM COMPLETED AND SIGNED BY EACH MWA/WDB WHERE SERVICES ARE PLANNED TO BE PROVIDED.



EXHIBIT 1

**MICHIGAN WORKS! AGENCY
LETTER OF COORDINATION AND SUPPORT FORM**

Applicant Agency: Michigan State AFL-CIO Human Resources Development, Inc.

Project Title: Michigan HRDI Statewide Dislocated Worker Project

This Michigan Works! Agency (MWA) hereby acknowledge that it and the applicant agency named above have coordinated and agreed upon the provision of core and intensive services as briefly described below.

Michigan HRDI is an MWA contractor and a partner in our Michigan Works Service Centers. As such, HRDI will be providing WIA Intensive and Training services and will coordinate with our ES provider to deliver WIA core services. It is our expectation that Michigan HRDI will also recruit, enroll and provide Core, Intensive and Training services directly for a statewide dislocated worker grant using its staff that is located in our Service Centers. We anticipate that HRDI will receive the cooperation of all of our Service Center partners in this Michigan Works area in delivering dislocated worker services under a statewide contract with DLEG.

The MWA also hereby acknowledge that they received a copy of the proposal from the applicant agency in a timely manner to allow for sufficient time for review and comment. Yes No

The MWA (please mark one) concurs does not concur with this proposal. **Please Note: Concurrence or non-concurrence, in whole or in part, along with suggestions, recommendations, and general comments should be submitted by the local MWA to the DLEG by no later than June 1, 2006.**



Authorized Signature for MWA

South Central Michigan Works!

Name of MWA

Ms. Christine Quinn

Typed Name of Authorized Signature

Address:
310 West Bacon Street
Hillsdale, MI 49242

President

Official Title of Authorized Signature

(517) 437-0990

Telephone Number

4/24/06

Date

Comments: (additional pages may be attached)

THE APPLICANT AGENCY MUST HAVE THIS FORM COMPLETED AND SIGNED BY EACH MWA/WDB WHERE SERVICES ARE PLANNED TO BE PROVIDED.



EXHIBIT 1

**MICHIGAN WORKS! AGENCY
LETTER OF COORDINATION AND SUPPORT FORM**

Applicant Agency: Michigan State AFL-CIO Human Resources Development, Inc.

Project Title: Michigan HRDI Statewide Dislocated Worker Project

This Michigan Works! Agency (MWA) hereby acknowledge that it and the applicant agency named above have coordinated and agreed upon the provision of core and intensive services as briefly described below.

Michigan HRDI is an MWA contractor and a partner in our Michigan Works Service Centers. As such, HRDI will be providing WIA Intensive and Training services and will coordinate with our ES provider to deliver WIA core services. It is our expectation that Michigan HRDI will also recruit, enroll and provide Core, Intensive and Training services directly for a statewide dislocated worker grant using its staff that is located in our Service Centers. We anticipate that HRDI will receive the cooperation of all of our Service Center partners in this Michigan Works area in delivering dislocated worker services under a statewide contract with DLEG.

The MWA also hereby acknowledge that they received a copy of the proposal from the applicant agency in a timely manner to allow for sufficient time for review and comment. Yes No

The MWA (please mark one) concurs does not concur with this proposal. **Please Note: Concurrence or non-concurrence, in whole or in part, along with suggestions, recommendations, and general comments should be submitted by the local MWA to the DLEG by no later than June 1, 2006.**

Paul Griffith
Authorized Signature for MWA

Mr. Paul Griffith
Typed Name of Authorized Signature

Director
Official Title of Authorized Signature

(231) 796-4891
Telephone Number

Michigan Works! West Central
Name of MWA

Address:
110 Elm Street
Big Rapids, MI 49307

4/25/06
Date

Comments: (additional pages may be attached)

THE APPLICANT AGENCY MUST HAVE THIS FORM COMPLETED AND SIGNED BY EACH MWA/WDB WHERE SERVICES ARE PLANNED TO BE PROVIDED.

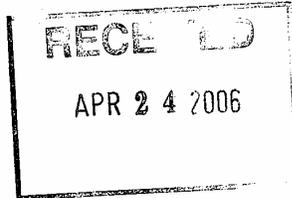


EXHIBIT 1

**MICHIGAN WORKS! AGENCY
LETTER OF COORDINATION AND SUPPORT FORM**

Applicant Agency: Michigan State AFL-CIO Human Resources Development, Inc.

Project Title: Michigan HRDI Statewide Dislocated Worker Project

This Michigan Works! Agency (MWA) hereby acknowledge that it and the applicant agency named above have coordinated and agreed upon the provision of core and intensive services as briefly described below.

Michigan HRDI is an MWA contractor and a partner in our Michigan Works Service Centers. As such, HRDI will be providing WIA Intensive and Training services and will coordinate with our ES provider to deliver WIA core services. It is our expectation that Michigan HRDI will also recruit, enroll and provide Core, Intensive and Training services directly for a statewide dislocated worker grant using its staff that is located in our Service Centers. We anticipate that HRDI will receive the cooperation of all of our Service Center partners in this Michigan Works area in delivering dislocated worker services under a statewide contract with DLEG.

The MWA also hereby acknowledge that they received a copy of the proposal from the applicant agency in a timely manner to allow for sufficient time for review and comment. Yes No

The MWA (please mark one) concurs does not concur with this proposal. **Please Note: Concurrence or non-concurrence, in whole or in part, along with suggestions, recommendations, and general comments should be submitted by the local MWA to the DLEG by no later than June 1, 2006.**

Authorized Signature for MWA

Kalamazoo-St. Joseph Michigan Works! Area
Name of MWA

Mr. Robert A. Straits
Typed Name of Authorized Signature

Address:
222 S. Westnedge Avenue
Kalamazoo, MI 49007-4628

MWA Director
Official Title of Authorized Signature

(269) 349-1533
Telephone Number

4/21/06
Date

Comments: (additional pages may be attached)

THE APPLICANT AGENCY MUST HAVE THIS FORM COMPLETED AND SIGNED BY EACH MWA/WDB WHERE SERVICES ARE PLANNED TO BE PROVIDED.



EXHIBIT 1

**MICHIGAN WORKS! AGENCY
LETTER OF COORDINATION AND SUPPORT FORM**

Applicant Agency: Michigan State AFL-CIO Human Resources Development, Inc.

Project Title: Michigan HRDI Statewide Dislocated Worker Project

This Michigan Works! Agency (MWA) hereby acknowledge that it and the applicant agency named above have coordinated and agreed upon the provision of core and intensive services as briefly described below.

Michigan HRDI is an MWA contractor and a partner in our Michigan Works Service Centers. As such, HRDI will be providing WIA Intensive and Training services and will coordinate with our ES provider to deliver WIA core services. It is our expectation that Michigan HRDI will also recruit, enroll and provide Core, Intensive and Training services directly for a statewide dislocated worker grant using its staff that is located in our Service Centers. We anticipate that HRDI will receive the cooperation of all of our Service Center partners in this Michigan Works area in delivering dislocated worker services under a statewide contract with DLEG.

The MWA also hereby acknowledge that they received a copy of the proposal from the applicant agency in a timely manner to allow for sufficient time for review and comment. Yes No

The MWA (please mark one) concurs does not concur with this proposal. Please Note: Concurrence or non-concurrence, in whole or in part, along with suggestions, recommendations, and general comments should be submitted by the local MWA to the DLEG by no later than June 1, 1006.

Beverly A. Drake
Authorized Signature for MWA

Area Community Service Employment and Training Council
Name of MWA

Ms. Beverly A. Drake
Typed Name of Authorized Signature

Address:
144 East Fulton
Grand Rapids, MI 49503

Executive Director
Official Title of Authorized Signature

(616) 336-4100
Telephone Number

4/24/06
Date

Comments: (additional pages may be attached)

THE APPLICANT AGENCY MUST HAVE THIS FORM COMPLETED AND SIGNED BY EACH MWA/WDB WHERE SERVICES ARE PLANNED TO BE PROVIDED.



EXHIBIT 1

**MICHIGAN WORKS! AGENCY
LETTER OF COORDINATION AND SUPPORT FORM**

Applicant Agency: Michigan State AFL-CIO Human Resources Development, Inc.

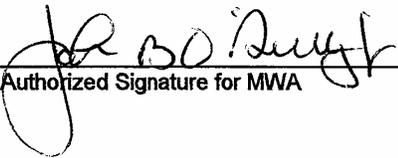
Project Title: Michigan HRDI Statewide Dislocated Worker Project

This Michigan Works! Agency (MWA) hereby acknowledge that it and the applicant agency named above have coordinated and agreed upon the provision of core and intensive services as briefly described below.

Michigan HRDI is an MWA contractor and a partner in our Michigan Works Service Centers. As such, HRDI will be providing WIA Intensive and Training services and will coordinate with our ES provider to deliver WIA core services. It is our expectation that Michigan HRDI will also recruit, enroll and provide Core, Intensive and Training services directly for a statewide dislocated worker grant using its staff that is located in our Service Centers. We anticipate that HRDI will receive the cooperation of all of our Service Center partners in this Michigan Works area in delivering dislocated worker services under a statewide contract with DLEG.

The MWA also hereby acknowledge that they received a copy of the proposal from the applicant agency in a timely manner to allow for sufficient time for review and comment. Yes No

The MWA (please mark one) concurs does not concur with this proposal. **Please Note: Concurrence or non-concurrence, in whole or in part, along with suggestions, recommendations, and general comments should be submitted by the local MWA to the DLEG by no later than June 1, 2006.**



Authorized Signature for MWA

Mr. John B. O'Reilly

Typed Name of Authorized Signature

Executive Director

Official Title of Authorized Signature

(734) 229-3500

Telephone Number

Southeast Michigan Community Alliance (SEMCA)
Michigan Works!

Name of MWA

Address:
25363 Eureka Rd.
Taylor, MI 48180

April/27/2006

Date

Comments: (additional pages may be attached)

THE APPLICANT AGENCY MUST HAVE THIS FORM COMPLETED AND SIGNED BY EACH MWA/WDB WHERE SERVICES ARE PLANNED TO BE PROVIDED.



EXHIBIT 1

**MICHIGAN WORKS! AGENCY
LETTER OF COORDINATION AND SUPPORT FORM**

Applicant Agency: Michigan State AFL-CIO Human Resources Development, Inc.

Project Title: Michigan HRDI Statewide Dislocated Worker Project

This Michigan Works! Agency (MWA) hereby acknowledge that it and the applicant agency named above have coordinated and agreed upon the provision of core and intensive services as briefly described below.

Michigan HRDI is an MWA contractor and a partner in our Michigan Works Service Centers. As such, HRDI will be providing WIA Intensive and Training services and will coordinate with our ES provider to deliver WIA core services. It is our expectation that Michigan HRDI will also recruit, enroll and provide Core, Intensive and Training services directly for a statewide dislocated worker grant using its staff that is located in our Service Centers. We anticipate that HRDI will receive the cooperation of all of our Service Center partners in this Michigan Works area in delivering dislocated worker services under a statewide contract with DLEG.

The MWA also hereby acknowledge that they received a copy of the proposal from the applicant agency in a timely manner to allow for sufficient time for review and comment. Yes No

The MWA (please mark one) concurs does not concur with this proposal. **Please Note: Concurrence or non-concurrence, in whole or in part, along with suggestions, recommendations, and general comments should be submitted by the local MWA to the DLEG by no later than June 1, 2006.**

Authorized Signature for MWA

Washtenaw County Employment Training and
Community Services Group
Name of MWA

Ms. Tenda Rusher
Typed Name of Authorized Signature

Address:
555 Towner St., P.O. Box 915
Ypsilanti, MI 48197-0915

Executive Director
Official Title of Authorized Signature

(734) 544-6850
Telephone Number

4/25/06
Date

Comments: (additional pages may be attached)

THE APPLICANT AGENCY MUST HAVE THIS FORM COMPLETED AND SIGNED BY EACH MWA/WDB WHERE SERVICES ARE PLANNED TO BE PROVIDED.



EXHIBIT 1

**MICHIGAN WORKS! AGENCY
LETTER OF COORDINATION AND SUPPORT FORM**

Applicant Agency: Michigan State AFL-CIO Human Resources Development, Inc.

Project Title: Michigan HRDI Statewide Dislocated Worker Project

This Michigan Works! Agency (MWA) hereby acknowledge that it and the applicant agency named above have coordinated and agreed upon the provision of core and intensive services as briefly described below.

Michigan HRDI has staff located in contiguous Michigan Works Areas, and HRDI has agreed that its staff, working under a statewide DLEG grant, will work directly with our dislocated worker service providers to identify dislocated workers who have been enrolled for Core and/or Intensive services but need Training services – primarily OJT or ITA occupational skills classroom training – that HRDI can provide under a statewide grant. Our contractors will work with HRDI staff on joint case management for such participants, and HRDI will execute vouchers or agreements needed to provide the training required by such dislocated workers. We recognize, as does HRDI, that such joint services will be implemented to the extent that statewide WIA dislocated worker funds are available to Michigan HRDI.

The MWA also hereby acknowledge that they received a copy of the proposal from the applicant agency in a timely manner to allow for sufficient time for review and comment. Yes No

The MWA (please mark one) concurs does not concur with this proposal. **Please Note: Concurrence or non-concurrence, in whole or in part, along with suggestions, recommendations, and general comments should be submitted by the local MWA to the DLEG by no later than June 1, 2006.**

Authorized Signature for MWA

Office of Michigan Works!

Name of MWA

Mr. Todd Gustafson

Typed Name of Authorized Signature

Address:

Michigan Works! - Berrien/Cass/Van Buren

499 W. Main Street

Benton Harbor, MI 49022

Executive Director

Official Title of Authorized Signature

(269) 927-1064

Telephone Number

4-26-06

Date

Comments: (additional pages may be attached)

**THE APPLICANT AGENCY MUST HAVE THIS FORM COMPLETED AND SIGNED BY EACH MWA/WDB
HERE SERVICES ARE PLANNED TO BE PROVIDED.**



EXHIBIT 1

**MICHIGAN WORKS! AGENCY
LETTER OF COORDINATION AND SUPPORT FORM**

Applicant Agency: Michigan State AFL-CIO Human Resources Development, Inc.

Project Title: Michigan HRDI Statewide Dislocated Worker Project

This Michigan Works! Agency (MWA) hereby acknowledge that it and the applicant agency named above have coordinated and agreed upon the provision of core and intensive services as briefly described below.

Michigan HRDI has staff located in contiguous Michigan Works Areas, and HRDI has agreed that its staff, working under a statewide DLEG grant, will work directly with our dislocated worker service providers to identify dislocated workers who have been enrolled for Core and/or Intensive services. but need Training services – primarily QJT or ITA occupational skills classroom training – that HRDI can provide under a statewide grant. Our contractors will work with HRDI staff on joint case management for such participants, and HRDI will execute vouchers or agreements needed to provide the training required by such dislocated workers. We recognize, as does HRDI, that such joint services will be implemented to the extent that statewide WIA dislocated worker funds are available to Michigan HRDI.

The MWA also hereby acknowledge that they received a copy of the proposal from the applicant agency in a timely manner to allow for sufficient time for review and comment. Yes No

The MWA (please mark one) concurs does not concur with this proposal. **Please Note: Concurrence or non-concurrence, in whole or in part, along with suggestions, recommendations, and general comments should be submitted by the local MWA to the DLEG by no later than June 1, 2006.**


Authorized Signature for MWA

Central Area Michigan Works! Consortium
Name of MWA

Mr. John Van Nieuwenhuyzen
Typed Name of Authorized Signature

Address:
904 Oak Drive (Turk Lake)
P.O. Box 368
Greenville, MI 48838

Administrator
Official Title of Authorized Signature

(616) 754-9315
Telephone Number

4.26.06
Date

Comments: (additional pages may be attached)

THE APPLICANT AGENCY MUST HAVE THIS FORM COMPLETED AND SIGNED BY EACH MWA/WDB WHERE SERVICES ARE PLANNED TO BE PROVIDED.



EXHIBIT 1

**MICHIGAN WORKS! AGENCY
LETTER OF COORDINATION AND SUPPORT FORM**

Applicant Agency: Michigan State AFL-CIO Human Resources Development, Inc.

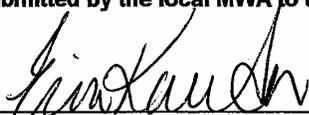
Project Title: Michigan HRDI Statewide Dislocated Worker Project

This Michigan Works! Agency (MWA) hereby acknowledge that it and the applicant agency named above have coordinated and agreed upon the provision of core and intensive services as briefly described below.

Michigan HRDI has staff located in contiguous Michigan Works Areas, and HRDI has agreed that its staff, working under a statewide DLEG grant, will work directly with our dislocated worker service providers to identify dislocated workers who have been enrolled for Core and/or Intensive services but need Training services – primarily OJT or ITA occupational skills classroom training – that HRDI can provide under a statewide grant. Our contractors will work with HRDI staff on joint case management for such participants, and HRDI will execute vouchers or agreements needed to provide the training required by such dislocated workers. We recognize, as does HRDI, that such joint services will be implemented to the extent that statewide WIA dislocated worker funds are available to Michigan HRDI.

The MWA also hereby acknowledge that they received a copy of the proposal from the applicant agency in a timely manner to allow for sufficient time for review and comment. Yes No

The MWA (please mark one) concurs does not concur with this proposal. **Please Note: Concurrence or non-concurrence, in whole or in part, along with suggestions, recommendations, and general comments should be submitted by the local MWA to the DLEG by no later than June 1, 2006.**


Authorized Signature for MWA

Ottawa County Michigan Works! Agency
Name of MWA

Ms. Erin Kauth
Typed Name of Authorized Signature

Address:
12251 James Street, Suite 300
Holland, MI 49424

Interim Director
Official Title of Authorized Signature

(616) 393-5614
Telephone Number

4-26-06
Date

Comments: (additional pages may be attached)

THE APPLICANT AGENCY MUST HAVE THIS FORM COMPLETED AND SIGNED BY EACH MWA/WDB WHERE SERVICES ARE PLANNED TO BE PROVIDED.