

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

CHANGE NOTICE NO. 8
 to
CONTRACT NO. 071B7200132
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Public Policy Associates, Incorporated 119 Pere Marquette Drive, Suite 1C Lansing, MI 48912-1231	Jeff Padden	paddenjd@publicpolicy.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 485-4477	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DHS	Jeanette Scroggins	(517) 335-3541	scrogginsj@michigan.gov
BUYER:	DTMB	Mary Ostrowski	(517) 373-6327	ostrowskim@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Crime Analysis			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS	CURRENT EXPIRATION DATE
February 1, 2007	January 31, 2010	2, 1 Yr. Options	July 31, 2012
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card	<input type="checkbox"/> Direct Voucher (DV)	<input type="checkbox"/> Other	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:		
OPTION EXERCISED: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	IF YES, EFFECTIVE DATE OF CHANGE:	NEW EXPIRATION DATE:
<p>Effective immediately, this Contract is EXTENDED five (5) months to allow continuation of services during the re-bidding process and INCREASED by \$91,250.00. This Contracts new end date is December 31, 2012.</p> <p>All other terms, conditions, specifications, and pricing remain the same.</p> <p>Per agency and vendor agreement and DTMB Procurement approval.</p>		
VALUE/COST OF CHANGE NOTICE:	\$91,250.00	
ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	\$1,677,107.78	

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY MANAGEMENT AND BUDGET January 10, 2012
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 7
TO
CONTRACT NO. 071B7200132
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR <p style="text-align: center;">Public Policy Associates, Incorporated 119 Pere Marquette Drive, Suite 1C Lansing, MI 48912-1231</p> <p style="text-align: right;">paddenjd@publicpolicy.com</p>	TELEPHONE (517) 485-4477 Jeffery Padden
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-6327 Mary Ostrowski
Contract Compliance Inspector: Jeanette Scroggins (517) 335-3541 Crime Analysis for the Department of Human Services (DHS), Bureau of Juvenile Justice (BJJ)	
CONTRACT PERIOD: From: February 1, 2007 To: July 31, 2012	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE(S):

Effective immediately, \$94,574.58 is hereby ADDED to this Contract and EXTENDED six months. The new contract end date is July 31, 2012.

All other terms, conditions, specifications, and pricing remain unchanged and in full effect.

AUTHORITY/REASON:

Per request of the Department of Human Services, DTMB/Procurement approval and the approval of Ad Board on January 17, 2012

INCREASE: \$94,574.58

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$1,585,857.78

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

March 10, 2011

CHANGE NOTICE NO. 6
TO
CONTRACT NO. 071B7200132
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Public Policy Associates, Incorporated 119 Pere Marquette Drive, Suite 1C Lansing, MI 48912-1231 <p style="text-align: right;">paddenjd@publicpolicy.com</p>		TELEPHONE (517) 485-4477 Jeffery Padden
		VENDOR NUMBER/MAIL CODE
		BUYER/CA (517) 373-6327 Mary Ostrowski
Contract Compliance Inspector: Jeanette Scroggins (517) 335-3541 Crime Analysis for the Department of Human Services (DHS), Bureau of Juvenile Justice (BJJ)		
CONTRACT PERIOD: From: February 1, 2007 To: January 31, 2012		
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>	
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>	
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>		

NATURE OF CHANGE(S):

Effective immediately, \$16,000.00 is hereby added to this Contract. This is to include socio-economic factors contributing to crime in the web-site for Disproportionate Minority Confinement (DMC) project listed in the original deliverable.

All other terms, conditions, specifications, and pricing remain unchanged and in full effect.

AUTHORITY/REASON:

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

INCREASE: \$16,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$1,491,283.20

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY MANAGEMENT AND BUDGET October 29, 2010
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 5
TO
CONTRACT NO. 071B7200132
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Public Policy Associates, Incorporated 119 Pere Marquette Drive, Suite 1C Lansing, MI 48912-1231 <p style="text-align: right;">paddenjd@publicpolicy.com</p>		TELEPHONE (517) 485-4477 Jeffery Padden
		VENDOR NUMBER/MAIL CODE
		BUYER/CA (517) 373-6327 Mary Ostrowski
Contract Compliance Inspector: Jeanette Scroggins (517) 335-3541 Crime Analysis for the Department of Human Services (DHS), Bureau of Juvenile Justice (BJJ)		
CONTRACT PERIOD: From: February 1, 2007 To: January 31, 2012		
TERMS	N/A	SHIPMENT
		N/A
F.O.B.	N/A	SHIPPED FROM
		N/A
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>		

NATURE OF CHANGE(S):

Effective immediately, Blohm Creative Partners is hereby added to this Contract as an approved subcontractor. Contact information is as follows:

Lynda White
Blohm Creative Partners
1331 E. Grand River Avenue - Suite #210
East Lansing, MI 48823
517-333-4900 (phone)
212-336-9404 (fax)
lynda@blohmcreative.com (email)

Please note that the buyer is changed to Mary Ostrowski. All other terms, conditions, specifications, and pricing remain unchanged and in full effect.

AUTHORITY/REASON:

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

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$894,325.00

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

January 29, 2010

CHANGE NOTICE NO. 4
TO
CONTRACT NO. 071B7200132
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Public Policy Associates, Incorporated 119 Pere Marquette Drive, Suite 1C Lansing, MI 48912-1231 <p style="text-align: right;">paddenjd@publicpolicy.com</p>		TELEPHONE (517) 485-4477 Jeffery Padden
		VENDOR NUMBER/MAIL CODE
		BUYER/CA (517) 241-4225 Kevin Dunn
Contract Compliance Inspector: Jeanette Scroggins (517) 335-3541 Crime Analysis for the Department of Human Services (DHS), Bureau of Juvenile Justice (BJJ)		
CONTRACT PERIOD: From: February 1, 2007 To: January 31, 2012		
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>	
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>	
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>		

NATURE OF CHANGE(S):

Effective February 1, 2010, the Contractor's labor rates are reduced by 3%. The attached detailed pricing sheet reflects the new labor rates as well as the new two-year Contract option extension value (see attachment).

Effective immediately, this Contract is EXTENDED through January 31, 2010, and INCREASED by \$580,958.20.

Also effective immediately, all travel costs associated with this Contract are now included in the new flat monthly invoice amount of \$24,206.59 and will not be billed as a separate billable expense.

All other terms, conditions, specifications and pricing remain unchanged and in full effect.

AUTHORITY/REASON:

Per agency/vendor agreement, Ad Board approval on 01/19/2010, and DMB/Purchasing Operations' approval.

REVISED CURRENT AUTHORIZED SPEND LIMIT: \$1,475,283.20

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 28, 2007

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B7200132
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Public Policy Associates, Incorporated 119 Pere Marquette Drive, Suite 1C Lansing, MI 48912-1231 paddenjd@publicpolicy.com	TELEPHONE (517) 485-4477 Jeffery Padden
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-4225 Kevin Dunn
Contract Compliance Inspector: Jeanette Scroggins (517) 335-3541 Crime Analysis for the Department of Human Services (DHS), Bureau of Juvenile Justice (BJJ)	
CONTRACT PERIOD: From: February 1, 2007 To: January 31, 2010	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE(S):

Effective immediately, the Center for the Study of Social Policy (CSSP) is hereby added to this Contract as an approved subcontractor. Contact information is as follows:

Kristen Weber, Esq.
The Center for the Study of Social Policy
55 Exchange Place Suite 404
New York, NY 10005
212-979-2369 (phone)
212-995-8756 (fax)
kristen.weber@cssp.org (email)

All other terms, conditions, specifications, and pricing remain unchanged and in full effect.

AUTHORITY/REASON:

Per request of the Department of Human Services and DMB/Purchasing Operations' approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$894,325.00

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

July 16, 2007

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B7200132
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR <p style="text-align: center;">Public Policy Associates, Incorporated 119 Pere Marquette Drive, Suite 1C Lansing, MI 48912-1231</p> <p style="text-align: right;">paddenjd@publicpolicy.com</p>	TELEPHONE (517) 485-4477 Jeffery Padden
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-4225 Kevin Dunn
Contract Compliance Inspector: Jeanette Scroggins (517) 335-3541 Crime Analysis for the Department of Human Services (DHS), Bureau of Juvenile Justice (BJJ)	
CONTRACT PERIOD: From: February 1, 2007 To: January 31, 2010	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE(S):

This change notice is issued to RESCIND Change Notice #1. The subcontractor listed in Change Notice #1 was inadvertently added to the incorrect contract. All other terms, conditions, specifications, and pricing remain unchanged and in full effect.

AUTHORITY/REASON:

Per approval of Department of Human Services and DMB/Purchasing Operations.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$894,325.00

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

May 24, 2007

**CHANGE NOTICE NO. 1
 TO
 CONTRACT NO. 071B7200132
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR <p style="text-align: center;">Public Policy Associates, Incorporated 119 Pere Marquette Drive, Suite 1C Lansing, MI 48912-1231</p> <p style="text-align: right;">paddenjd@publicpolicy.com</p>	TELEPHONE (517) 485-4477 Jeffery Padden
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-4225 Kevin Dunn
Contract Compliance Inspector: Jeanette Scroggins (517) 335-3541 Crime Analysis for the Department of Human Services (DHS), Bureau of Juvenile Justice (BJJ)	
CONTRACT PERIOD: From: February 1, 2007 To: January 31, 2010	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE(S):

Effective immediately, Barbara Vitoratos is approved to be a Subcontractor for this Contract. All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per approval of Department of Human Services and DMB/Purchasing Operations.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$894,325.00

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

January 19, 2007

**NOTICE
 TO
 CONTRACT NO. 071B7200132
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR <p style="text-align: center;">Public Policy Associates, Incorporated 119 Pere Marquette Drive, Suite 1C Lansing, MI 48912-1231</p> <p style="text-align: right;">paddenjd@publicpolicy.com</p>	TELEPHONE (517) 485-4477 Jeffery Padden
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-4225 Kevin Dunn
Contract Compliance Inspector: Jeanette Scroggins (517) 335-3541 Crime Analysis for the Department of Human Services (DHS), Bureau of Juvenile Justice (BJJ)	
CONTRACT PERIOD: From: February 1, 2007 To: January 31, 2010	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

The terms and conditions of this Contract are those of ITB # 07116200371, this Contract Agreement and the vendor's quote dated October 9, 2006. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

Estimated Contract Value: **\$894,325.00**



**STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations**

Contract No. 071B7200132
Crime Analysis for Department of Human Services, Bureau of Juvenile Justice

Buyer Name: Kevin Dunn
Telephone Number: 517-241-4225
E-Mail Address: dunnk3@michigan.gov



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Article 1 – Statement of Work (SOW)

1.0 Project Identification

1.001 Project Request

The primary objective of this contract is the completion of a Statewide crime analysis.

1.002 Background

The State of Michigan currently receives approximately \$1.9 million annually from the federal government under the Juvenile Justice and Delinquency Prevention (JJDP) Act of 1974. This money must be used to meet the four core requirements set forth in the federal statute.

The core requirements are:

- 1) Remove juveniles from adult jails and lock-ups (JRI)
- 2) De-institutionalize status offenders (DSO) (Status offenders are those who commit offenses which are only illegal due to the offender's age.)
- 3) Separate juveniles from adult detainees (Separation), and
- 4) Address the disproportionate processing or confinement of minorities (DMC)

Michigan is assessed on its application for these funds based on meeting the core requirements, as well as other juvenile justice data and statistics. Part of the application includes a detailed juvenile crime analysis.

If Michigan complies with the federal mandates, the annual appropriation can be allocated by the Michigan Juvenile Justice Committee (MJJC) for any type of juvenile programming the state's juvenile justice advisory group committee decides is appropriate. If Michigan is not in compliance with these four core requirements, then federal funds are reduced by 20% and the remaining funds must be used exclusively to achieve compliance.

In the JJDP Act of 2002, PL 107-273, the terminology of the fourth requirement was changed to "Disproportionate Minority Contact". This change opens up the search for DMC to several additional contact points in the justice system. The federal government has developed the relative rate index (RRI) as the assessment tool to measure DMC.

Note: See Addendum A, for the 10 contact points and the definition of RRI.

The JJDP Act addresses five (5) phases of DMC: **Identification, Assessment, Intervention, Evaluation, and Monitoring**. The State of Michigan, Department of Human Services, Bureau of Juvenile Justice has performed DMC identification and assessment for the past five years and is currently beginning some intervention projects.

Guided by the JJDP Act, the DMC sub-committee of the MCJJ has commissioned further emphasis on DMC in Michigan. The emphasis involves identifying DMC, assessing where and why it takes place and what policies and/or programs can be implemented to reduce it and finally, how to evaluate and monitor those programs.

1.1 Scope of Work and Deliverables

1.101 In Scope

Section 1.104, "Word and Deliverable", contains the activities associated with the project. The following activities are also considered in scope:

- A. Complete a report containing the following information of all individual counties, Native American Tribes, and total State of Michigan. This report/information shall be made available to the State of Michigan in a format that can be manipulated by the receiver of the report to produce desired data based on certain criteria collected. The report and information collected will be the property of the State of Michigan.



1. Arrests by offense type, sex, age, and race
2. Number of characteristics (by offense type, sex, race, and age) of juveniles referred to juvenile court, probation agency, or special intake unit for allegedly committing a delinquent act or status offense.
3. Number of cases handled informally (non-petitioned) and formally (petitioned) by sex, race, and type of disposition (e.g. diversion, probation, commitment, residential treatment)
4. Number of delinquent and status offenders admitted, by sex and race, to juvenile detention facilities, adult jails, and lock-ups.
5. Extent of DMC (See 1.101 part B)
6. Other social, economic, legal and organizational conditions considered relevant to delinquency prevention programming.

B. Complete a report showing the extent of DMC in Michigan.

1. Develop an acceptable process to standardize and retrieve DMC data.
2. Report DMC data based on the RRI
3. Establish an evaluation process for community intervention programs.
4. Show relationship of DMC from one contact point to another within communities.
5. Accurately report initial findings within two (2) years of award.
6. Show linkage of child welfare decisions to juvenile justice DMC.

1.102 Out of Scope - RESERVED

1.103 Environment

Physical Environment: The Contractor will be expected to collect data from a variety of sources and locations. All sources and locations will be identified by the BJJ Project Manager, who will also authorize any travel to such locations. Travel costs must conform with the State of Michigan travel regulations.

Michigan Travel Policy is included in Article 1, Attachment D, and identifies the web site with the reimbursable rates for mileage and accommodations. All travel must be pre-authorized by the BJJ Project Manager and supported by original invoices. Travel expenses will be reimbursed no more frequently than monthly and should be invoiced separately from the Contractor's services. There will be no travel outside of Michigan.

State of Michigan will not provide equipment or vehicles for this project. It is expected that the Contractor will provide workspace, supplies and equipment for their staff. The State will not provide computers or telephone equipment or service.

Technological Environment: The Contractor must adhere to all standards as established by the State of Michigan, Department of Information Technology: see <http://michigan.gov/dit> for standards and policies regarding information technology. Reports and written materials must be compatible with the standard State of Michigan applications, Microsoft Office and Excel.

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:

- 1) Prepare and disseminate DMC information and associated RRI results for selected areas to state partners and others. The Contractor will be responsible for the composition and data collection, however, BJJ will have editorial and approval control. BJJ will also arrange for duplication and distribution of the materials. The information shall be in MSWord format.



Contractor Response:

The PPA crime analysis team will develop a public education and outreach dissemination plan that incorporates goals, objectives, messages, and key findings that are consistent with the mission and vision of DMC through the eyes of BJJ. This plan will provide an overview of the tools and strategies that will be used to build community, practitioner, and constituent support for the reduction of DMC and create the political will to fund and support BJJ's policies and programs that help reduce DMC.

In addition to the creation and dissemination of a DHS, BJJ-approved DMC/RRI report that will be formatted in MSWord, the PPA crime analysis team also proposes to develop and disseminate additional DHS, BJJ-approved DMC information and RRI results to state partners and other stakeholders through the use of a DMC:

- Website – will establish a polished presence for DMC in Michigan and drive viewers to seek more detailed information.
- Report card – will communicate clear benchmarks and goals for DMC in Michigan.
- Pocket card – will clearly and concisely communicate the key messages of DMC.
- Brochure – brochures will be created for general distribution for public education on DMC.

These public education and outreach tools will help:

- Develop a cohesive voice for the reduction of DMC in Michigan.
- Provide leadership in DMC education and facilitate networking among representatives of local justice systems across the state.
- Encourage greater involvement among representatives of local justice systems in the reduction of DMC.

The PPA crime analysis team is willing to delete, add, and/or modify components of this public education and outreach plan after project start-up discussions with the BJJ project manager.

- 2) Develop an acceptable and thorough process to standardize and retrieve DMC data.

Contractor Response:

The PPA crime analysis team will collect the most recent available DMC data for all Michigan counties and Native American Tribes. At a minimum, the data collected will include:

- Arrests by offense type, sex, age, and race.
- Number of characteristics (by offense type, sex, race, and age) of juveniles referred to juvenile court, probation agency, or special intake unit for allegedly committing a delinquent act or status offense.
- Number of cases handled informally (nonpetitioned) and formally (petitioned) by sex, race, and type of disposition (e.g., diversion, probation, commitment, residential treatment).
- Number of delinquent and status offenders admitted, by sex and race, to juvenile detention facilities, adult jails, and lock-ups.
- Extent of DMC.
- Other social, economic, legal, and organizational conditions considered relevant to delinquency prevention programming.

The data required to determine DMC depend on the structure of each jurisdiction's juvenile justice system and the data resources that the various subsystems maintain. As a rule of thumb, the following list outlines strategic points for juvenile justice data collection:



- Population data can be extracted from data files developed and/or maintained by the U.S. Census Bureau.
- Arrest data can be extracted from data files developed and/or maintained by state Uniform Crime Reporting (UCR) Programs or law enforcement agencies.
- Court processing data capturing case counts at various stages of court processing can often be obtained from the courts themselves. Most juvenile courts in the nation have automated case-management or case-tracking information systems.
- Detention data, depending on the administrative structure of the local juvenile justice system, can be obtained from the juvenile courts, the executive entity that provides detention services, or the detention centers.
- Placement data, depending on the administrative structure of the local juvenile justice system, can be obtained from the juvenile courts, the executive entity that provides placement services, or (when no other source is available) a national data-collection effort entitled the Census of Juveniles in Residential Placement (CJRP).

The team will work with the Michigan State Police (MSP), county prosecuting attorney's offices, family divisions of county circuit courts, city and county police departments, and the Michigan Department of Corrections (MDOC) – further referred to as “data-collection partners” in this proposal – to collect DMC data at ten key contact /decision points: (1) juvenile arrests, (2) referrals to juvenile court, (3) cases diverted, (4) cases involved in secure detention, (5) cases petitioned, (6) cases resulting in delinquent findings, (7) cases resulting in probation placement, (8) cases resulting in confinement in secure juvenile correctional facilities, (9) cases transferred to adult court, and (10) cases involving aftercare and/or aftercare revocation.

Currently, the State of Michigan lacks a comprehensive management information system that has the capacity to record all juvenile arrests, referrals, petitions to court, diversions, probations, adjudications, and commitments. As a result, there are a number of limitations regarding data collection. There is varying compatibility between data sets, incomplete records, missing data, a lack of uniformity in racial/ethnic categorization, and a limited number of cases. The PPA crime analysis team will work with the BJJ and appropriate representatives from the justice agencies listed above to develop both short- and long-term strategies for standardizing the DMC data-collection process and addressing data-collection barriers.

The short-term strategy will propose a systematic data-collection process where the PPA crime analysis team works with appropriate data-collection partners to produce monthly statistical reports on DMC with the use of MExcel spreadsheets. Data-collection barriers will be identified and documented to ensure that the long-term data-collection strategy addresses the short-term data-collection problems.

The long-term strategy will propose a process that migrates the short-term data collection protocol to an automated process supported by a comprehensive management information system.

The DMC data-collection process will include an overall methodology that increases the likelihood of obtaining and reporting accurate juvenile DMC data. The following strategies will be employed:

- Establishing a quality assurance system to ensure data completeness and accuracy at all data-collection points.

Conduct spot checks/audits of state and local data-collection partners. Data quality will be improved to yield reliable data from which to draw results. Spot checks or audits of the data will be conducted on a biannual basis. Timely feedback to the data-collection partners will help efforts to improve juvenile data quality.



Monitor data collection practices at all key contact/decision points. Collecting accurate data to identify if (and where) DMC exists will require improvement of collaboration between state and local data-collection partners. The PPA crime analysis team will work with the BJJ to establish a strategic planning forum where state and local data-collection partners can work together to develop solutions that address data collection barriers.

- Improving uniformity of race/ethnicity data by conforming to the U.S. Census definition of race/ethnicity uniformly and systematically.

Include census defined race/ethnicity in data entry and annual reports. Data-collection partners should format race/ethnicity in the same categories as the U.S. Census when collecting data and preparing annual reports. Including Census-defined race/ethnicity in the annual reports of data-collection partners will greatly reduce the time spent collecting juvenile DMC data.

Train staff who determine race/ethnicity of juveniles. Law enforcement officers and juvenile community corrections officers need training in best practices to sensitively collect and record race and ethnicity information from juveniles. Michigan does not currently have a standard method of collection of this information from juveniles involved with the juvenile justice system. The OJJDP standards of racial and ethnic identification encourage decision makers to take the initiative to ask the juvenile to self-identify his or her race/ethnicity. OJJDP points to this method of self-identification as the preferred method of establishing race and ethnicity.

While the PPA crime analysis team proposes the development of an acceptable and standardized data-collection process, it will ultimately be up to the BJJ to secure allocate the resources that are necessary to implement a statewide management information system that is robust enough to retrieve DMC data.

3) Report DMC data based on the RRI to DHS BJJ Grants Unit.

Contractor Response:

The PPA crime analysis team will report the DMC data to the DHS, BJJ Grants Unit in a spreadsheet format that can be manipulated to produce desired data based on all data collected. DMC data will be based on the Relative Rate Index (RRI). The RRI is a way to measure differences in respect to populations in regards to the specific occurrence of an event. In the juvenile justice system, RRI's are useful to investigate the occurrence DMC. The RRI is an unbiased estimator, meaning that it allows for fair and accurate comparisons across time and racial groups. In order for a group to be included in the RRI analysis, it must account for at least 1% of the juvenile population within the given county. The baseline of every RRI is the occurrence of this event by a White person. For example, if the RRI of Black or African Americans is 4.5 in regards to juvenile arrests, this means that a juvenile who is Black or African American is 4.5 times or 450% more likely to be arrested than a juvenile who is White.

The RRI is designed as a first step in examining DMC. The RRI is used to point to areas for more intensive examination, and to serve as an ongoing set of "vital signs" or "early warning system" for the management of the juvenile justice system. DMC exists if the RRI is greater than one.

RRI analyses will be conducted by combining DMC data with 2000 Census data and/or the most recent Census population estimates to calculate RRIs for youth processed in the Michigan juvenile justice system. Census data from 2000 is considered to be accurate, and population estimates are usually within 0.1% of the 2000 census data for all racial/ethnic groups. RRI analyses will also plug census and contact/decision point populations by race into the RRI spreadsheet provided by OJJDP, which computes the RRI.



- 4) Establish an evaluation process for community intervention programs. BJJ will present the community intervention programs to the Contractor.

Contractor Response:

The PPA crime analysis team will use a logic model developed by the Juvenile Justice Evaluation Center (JJEC) to lay out the design for evaluating community intervention programs. This process will be implemented for each program that is presented by the BJJ project manager. Logic models can be helpful in the following ways:

- They serve as a format for clarifying what the program hopes to achieve
- They are an effective way to monitor program activities
- They can be used for either performance measurement or evaluation
- They help programs stay on track as well as plan for the future
- They are an excellent way to document what a program intends to do and what it is actually doing

The logic model process is shown below:



At the top of the model is a **goal**. The goal of a program is a broad statement about what the program intends to accomplish. It is also the intended long-term outcome of the program. Since it represents the overarching purpose of the program, it rests above all the remaining components. The relevant question to ask when determining a program goal is what does your program want to achieve in the long term?

There are a few important points about the goal to keep in mind. First, the goal is intended to be overarching, similar to an organization's mission statement. Goals may not be achieved during the program's operation but should always be kept at the forefront of any planning related to the program. A common goal for juvenile justice programs is reduction in juvenile crime for the targeted area. Note that observing a sizeable reduction in crime during the actual program may not be realistic; therefore, the goal is often something that is observed after the program ends or has been in operation for several years.

Objectives are the expected achievements that are well-defined, specific, measurable, and derived from the goal. Unlike the goal, the objectives should be achievable during the program. In addition, objectives should contain three important elements: direction, target, and timeframe. The relevant question that should be asked when determining appropriate objectives what difference will your program make, for whom, and by when?

Resources should be considered after determining the objectives. These are the means available to achieve the outcomes. That is, what tools, funds, skills, personnel, and physical space are available and necessary for the program to operate? It is important to consider the resources required to conduct the program early on so that you can frame a realistic program.

After resources have been considered, what **activities** will your program pursue? Activities are the program efforts conducted to achieve the objectives. Activities should be logically linked to the program objectives such that their completion can be expected to cause the intended changes determined in the objectives. It is important to consider all of the resources required to conduct the activities.



Process measures are data used to demonstrate the implementation of activities. These include products of activities and indicators of services provided. Process measures can be thought of as documentation of whether the program is being implemented according to the original plan. So, for example, if a program plans to provide mentorship to youths, process measures could include the number of mentors assigned to the targeted youths or the number of times youths met with their mentors.

Following process measures are **outcomes**, which are the actual change(s) or lack thereof in the target (e.g., clients or system) of the program that are directly related to the goal(s) and objectives. Outcomes may include intended or unintended consequences.

There are three (3) levels of outcomes to consider:

- Initial outcomes: immediate results of a program
- Intermediate outcomes: the results following initial outcomes
- Long-term outcomes: the ultimate impact of a program

Note that only the long-term outcome will be directly related to the goal of the program. So, while the goal of a program may be to reduce juvenile crime in one geographic area, this reduction may not be observed during the program's operation.

Conversely, we can expect to see initial outcomes during the program's operation. A reasonable initial outcome for a truancy prevention program, for instance, is a lower number of youths being truant from school. In other words, the expected change for truancy is immediate.

Following along with this example, perhaps a truancy reduction program also seeks higher grades among its participants. Therefore, we may expect overall grade point averages to increase. This may be expected to occur only after truancy decreases. Therefore, in this situation, improvement in grades is an intermediate outcome.

Lastly, **external factors** are at the bottom of the logic model. These are factors within the system that may affect program operation and/or program operations that may affect external factors. External factors are particular to program settings and may include influences like political forces that help or hinder program activities, changes to sentencing laws during a program's operation, unexpected budget cuts, or youths' involvement in other programs. All of these will presumably alter the operation and affect the outcomes of the program, and should therefore be included in the logic model. It is difficult to determine the influence of external factors before the program begins.

- 5) Show relationship of DMC from one (1) contact point to another within communities.

Contractor Response:

The PPA crime analysis team will again use the RRI to show the relationship of DMC from one contact point to another. This method involves comparing the relative volume (rate) of activity for each major contact point of the juvenile justice system for minority youth with the volume of that activity for White (majority) youth. The method of comparison provides a single index number that indicates the extent to which the volume of that form of contact or activity differs for minority youth and White youth.

The RRI method involves the following general components:

- The number of events in various contact points of the juvenile justice system is tallied for the minority groups of interest, generally those groups that the federal Office of Management and Budget specifies as necessary for data collection (Hispanic/Latino, and non-Hispanic members of the following racial groups: African American, Asian American, Native Hawaiian and other Pacific Islanders, Native Alaskan, and American Indian).



- The number of events is translated into rates of activity by dividing the number of events in one contact point by the number of events in a preceding contact point. For example, one divides the number of probation placements by the number of “convictions”—situations in which youth were found delinquent—to determine the rate of probation placement. This calculation is performed separately for each minority group in which the size of that group’s youth population is at least one (1) percent of the total youth population in the jurisdiction.
- The rates for minority groups are compared to the rate for White (majority) youth by dividing the rate for minority groups by the rate for White youth. This creates an RRI, which provides a numeric indicator of the extent to which the rate of contact for minority youth differs from the rate of contact for White youth.
- The RRI is tested to determine if it is statistically significant, that is, whether it differs sufficiently from a neutral value (1.00) so that the differences in the rates are not likely to be the result of random-chance processes.

Thus, the RRI method involves a contact-point-by-contact-point calculation of relative rates or relative volume. This is important because it shows the incremental increase/decrease in contact levels as youth move through the justice system. It would be unrealistic to assume that differences in processing of minority and White youth are constant across the various decision stages or contact points of the justice system. Moreover, it would also be unrealistic to assume that the same stages of the justice system account for DMC across all justice systems. By basing the rate calculation on the volume of activity in the preceding stage or contact point of the justice system, one can examine the changes in rates of contact as youth of a certain racial/ethnic group move through the system.

Understanding that the State of Michigan currently lacks a statewide juvenile justice management information system, a useful feature of the RRI method is that it does not require a transactional data system that tracks youth throughout the juvenile justice system. The method does not require that the data available to describe the justice system all come from a single data system. It is possible to mix multiple data sources, although doing so raises concerns about common definitions of race and ethnicity, as well as concerns about the comparability of the counting and classifying rules used in multiple agencies.

Assessment

Once the extent of DMC is identified through the RRI method, there is a need to assess or conduct an in-depth examination of how DMC occurs. An assessment is a search for the factors that contribute to DMC, with the goal that the results may lead to strategies or interventions to reduce DMC. The nature of the assessment process depends on the identification process. The logic of the assessment phase builds on the results of the identification process. If a community has sufficient identification information for all or most of the major stages in the juvenile justice system, then it can use the findings to further refine and focus the needed inquiry of the assessment.

The assessment process looks more carefully at the decision points that the identification process has targeted to determine how DMC is created or amplified, specifying the mechanisms at work in a particular jurisdiction. The outcome of the assessment study should result in an understanding of the DMC process that will permit policy makers to make choices about strategies for reducing DMC.

To accomplish this purpose, the following multistage investigative process will be used:



- **Generate possible explanations.** The starting point is to choose specific stages, groups, and jurisdictions to explore. This is the likely outcome from the identification process. Using community leaders, agency personnel, and key informant processes, the PPA crime analysis team will generate a set of plausible/possible explanations for the level of DMC observed in the jurisdiction by contact point and racial/ethnic group.
- **Identify the types of data and the pattern of results needed.** These should be consistent with the possible explanations and will distinguish between the possible explanations.
- **Obtain the data.** Identify sources of the needed data, focusing on those that are most readily available and suitable for comparison over multiple time periods. If data sources are available, make sure that you know how the data are collected and what each data item actually means. If the needed data are not available, then develop plans to collect them from existing files, additional data, or a hybrid model of additional/supplemental data on a periodic basis.
- **Analyze the data and identify the most likely mechanism(s) creating DMC in this jurisdiction.** Conduct the analyses according to the patterns you expect to emerge. Examine the data analysis to see whether the patterns observed are consistent with possible explanations. Develop feedback methods for taking the data results back to the community and key informants to verify the interpretations and begin the process of selecting interventions.

6) Show relationship of DMC juvenile delinquency to the Child welfare system.

Contractor Response:

Research has shown that minorities are often overrepresented in the juvenile justice and child welfare systems. The goal of DMC is to reduce minority overrepresentation in the juvenile justice and child welfare systems. This overrepresentation of minority children has been documented as a national trend; children of color represent nearly half of the foster care population nationwide, although they are only 20 percent of the nation's children (National Data Analysis System, 2005).

Although data suggest that they are not at greater risk for abuse or neglect, minority children are clearly overrepresented in the child welfare system. From administrative data, we also know that children of color experience a higher number of out-of-home placements and are less likely to be reunified with their birth parents. According to a Casey Family Programs Fact Sheet (n.d.), children of color with the same characteristics as their Caucasian counterparts receive different treatment at every point in the child welfare decision-making process, including the decision to place them out of the home, the number of out-of-home placements, and the rate of reunification with birth families.

Efforts to reduce disparities across systems—child welfare, juvenile justice—require consideration of the factors that lead to these disparities. Many experts say that the root causes are poverty (Rozie-Battle, 2002); the presence of racism or lack of cultural competence among professionals working with youths of color; and the lack of services and resources that would help these youths make informed decisions (Villarruel, et al., 2002).

Poverty exposes families to multiple stress factors that may compromise their ability to manage day-to-day activities. Because minority families in this country, particularly African-American families, are more likely than non-minority families to be poor, they are also more vulnerable to social problems, including child abuse and neglect, domestic violence, and substance abuse (Children's Bureau, 2003).



Despite their need for services, poor families are more likely to live in resource-poor communities, many of which also are geographically isolated from other communities that might offer support and services (Children's Bureau, 2003). As a result, families that live in poverty are the least likely to have resources available to them, leaving them even further compromised. The more compromised a family is, the more likely that it will eventually come into contact with child welfare or some other social system.

Researchers have asked whether violence breeds violence. Many researchers have studied the links between child maltreatment and juvenile delinquency to evaluate the hypothesized "cycle of violence." Some studies demonstrate support for a linkage between the two phenomena, showing that abused and neglected children are at elevated risk of delinquency. Other studies have failed to confirm any relationship between the two phenomena. Some studies even suggest a negative correlation between maltreatment and delinquency (Widom & Maxfield 1996; Widom 1988; Widom 1989).

Reviewing the literature on the link between maltreatment and delinquency suggests that the relationship is complex. Most of the studies, and all of the prospective, case-control studies, demonstrate a significant relationship between childhood maltreatment and the subsequent development of delinquency. However, the strength and patterns of this relationship vary according to gender, race/ethnicity, socioeconomic status, type of maltreatment, and type of delinquency. Many maltreated children do *not* go on to engage in delinquent or criminal acts. Thus, delinquency is not an inevitable consequence of maltreatment. The key may be to ascertain what factors or interventions offer protection against the development of delinquency.

The disproportionate rate of children of color in the child welfare and juvenile justice systems is of serious concern. When disparities in outcomes by race or ethnicity occur, agencies must employ strategies to mitigate these disparities and improve outcomes for all children (NASW, 2001). The PPA crime analysis team will work with administrators in both systems to develop strategies that reduce DMC in both systems. While there are many disparities in the child welfare and juvenile justice systems, the PPA crime analysis team proposes efforts that have proven effective in eliminating disparities in these systems. Recommendations will have shown that measurable results can be achieved through a combination of systems change and direct practice modifications.

- 7) Complete an initial assessment report on Michigan juvenile crime activity within two (2) years of the start of the contract.

Contractor Response:

Within two (2) years of the contract start date, the PPA crime analysis team will collect the most recent available juvenile crime data and produce an assessment report for Michigan. At a minimum, the data collected will include:

- Arrests by offense type, sex, age, and race

The PPA crime analysis team will work with the BJJ project manager to determine the format of the report and identify additional data elements that should be included in the report.

- 8) Provide monthly progress reports to the BJJ Project Manager.

Contractor Response:

The PPA crime analysis team will provide the BJJ project manager with monthly progress reports. Reports can be shared in face-to-face meetings, via e-mail, or via regular mail. At a minimum, each monthly progress report will include the status on each task outlined below:



1. Crime analysis and DMC data-collection process
2. Extent of DMC based on RRI
3. Evaluation process for community intervention programs
4. Relationship of DMC juvenile delinquency to child welfare
5. Michigan juvenile crime activity/analysis report
6. Trends in over-representation report
7. Conference and workshop planning
8. Summary of technical assistance provided
9. Problems/barriers
10. Work to be done for the upcoming month

The PPA crime analysis team will work with the BJJ project manager to determine the format of the report and identify whether additional tasks should be included in the report.

- 9) Generate annual report that identifies trends in over-representation in a format provided by BJJ.

Contractor Response:

The United States Constitution guarantees similarly situated persons equal treatment under the law. It entitles juveniles who commit the same types of offenses and have similar delinquency histories to equal treatment by the police, the prosecutors, and the courts, regardless of their race, ethnicity, or gender. According to national research, however, this does not happen. In almost every state, youth of color are treated more harshly than their White counterparts. They are more likely to be detained, to be formally charged in juvenile court, and to be confined to state correctional systems than White youth who have committed the same types of offenses and have similar delinquency histories.

The disparate treatment of youth of color has a devastating impact not only on the lives of the children and families directly involved in the juvenile justice system, but also on the integrity of the system itself. The unaddressed perception that racial bias influences decision making undermines public confidence in the ability of the system to conduct the fair administration of justice.

The PPA crime analysis team will work with the BJJ project manager to develop a process and format for determining and presenting current trends in the extent of over-representation in Michigan. The process will be conducted annually and presented annually.

- 10) Complete semi-annual reports to OJJDP detailing progress made and any other information requested in this statement of work. The format for the reports will be determined by BJJ and the Contractor.

Contractor Response:

The PPA crime analysis team will provide the BJJ project manager with semiannual reports for submission to OJJDP. At a minimum, each semiannual progress report will include the status on each task outlined below:

1. Crime analysis and DMC data-collection process
2. Extent of DMC based on RRI
3. Evaluation process for community intervention programs
4. Relationship of DMC juvenile delinquency to child welfare
5. Michigan juvenile crime activity/analysis report
6. Trends in over-representation report
7. Conference and workshop planning
8. Summary of technical assistance provided
9. Problems/barriers
10. Work to be done for the upcoming period



The PPA crime analysis team will work with the BJJ project manager to determine the format of the report and identify whether additional tasks should be included in the report.

- 11) Work with the three (3) selected counties (Kent, Genesee, and Macomb) as requested in assessing and gathering DMC data Assist planning the statewide DMC conference and regional workshops of DMC identification.

Contractor Response:

The PPA crime analysis team will work with Kent, Genesee, and Macomb counties to develop innovative approaches to assess and gather DMC data. The PPA crime analysis team will work with representatives from the local juvenile justice system to develop a research design most appropriate and feasible for each county. Before addressing these methodological issues with the locales, the PPA crime analysis team will plan and collaborate with researchers on the DMC assessment study before, during, and after it is undertaken.

The PPA crime analysis team will then coordinate DMC activities by engaging local juvenile justice decision makers and other community representatives involved decision making at the DMC contact points. The information needed to conduct the assessment can be quite extensive and often crosses agency lines, so it is imperative that key agency personnel participate in the process from the start. These individuals will know what the data are, what problems might exist with the data, and what barriers interested parties may face when attempting to access the data. Further, DMC tends to be an emotional issue, and, with its emphasis on causes, some may view the assessment phase as a mechanism for placing blame or attempting to enact quotas. Therefore, participation of key personnel at the onset can help alleviate these concerns and facilitate the collection of the data. Thus, there is a need from the start to discuss and identify who the key actors and agencies are and to map a strategy to involve them before any assessment study is conducted.

Once central personnel are on board, the PPA crime analysis team will establish a committee to discuss issues that pertain to the details of the study, what should be studied, what kind of assessment study should be conducted, and what the process will be for conducting the study. The committee should examine past assessment research that has been conducted locally as well as national studies to provide direction for the proposed study in terms of what kind of assessment may be needed. The PPA crime analysis team will have this process approved by the BJJ project manager.

A formal study generally involves both quantitative and qualitative techniques that include following the same youth from initial contact with the police or the juvenile court to a final case outcome. The use of multivariate analyses is also incorporated to examine the relationships of many factors (i.e., race, ethnicity, gender, crime type, crime severity, etc.) at one time on decision making.

The assessment study will examine as many decision-making stages as possible with relevant independent variables and the use of multivariate procedures. This kind of assessment study takes into consideration decision making as a process and attempts to emulate the factors that influence case proceedings.



If data and resources are not available to conduct such a detailed assessment study, localities, with input from the PPA crime analysis team, will decide to conduct a study that focuses only on those decision points with the highest RRI values. These barriers will be shared with the BJJ project manager.

In addition to discussions concerning the specifics of the assessment study, the committee will also focus on issues involving the delivery of the final product. Things to consider will be the period of time to provide feedback on drafts prior to the completion of the write up of the findings; at a minimum, a final report that includes not only the results but recommendations; and oral presentations to the committee as well as to the state juvenile justice committee.

The PPA crime analysis team will also work with the BJJ to assist in planning the statewide DMC conference and regional workshops of DMC identification.

- 12) Provide technical assistance to State agencies and local communities regarding data.

Contractor Response:

The PPA crime analysis team will be available to State agencies and local communities to help with any barriers in the collection of DMC data. Technical assistance will be made available in the following areas:

1. Identification and monitoring
2. Assessment
3. Local preparation
4. Intervention
5. Evaluation
6. Federal, state, and local partnerships

The PPA crime analysis team will also work with the BJJ project manager to identify and respond to requests for technical assistance.

- 13) Complete crime analysis report within two (2) years of the start of the contract.

Contractor Response:

Within two (2) years of the contract start date, the PPA crime analysis team will collect the most recent available juvenile crime data and produce a crime analysis report for each county. At a minimum, the data collected will include:

- Arrests by offense type, sex, age, and race

The PPA crime analysis team will work with the BJJ project manager to determine the format of the report and identify additional data elements that should be included in the report.

- 14) Develop acceptable and thorough process to standardize and retrieve crime analysis data.

Contractor Response:

The PPA crime analysis team will work with the MSP, county prosecuting attorney's offices, family divisions of county circuit courts, and city and county police departments to develop an acceptable and thorough process to standardize and retrieve crime analysis data. The PPA crime analysis team will work with this group of juvenile justice practitioners to develop both short- and long-term strategies for standardizing the collection process for crime data. The process will be Web-based to increase the efficiency of the data-collection process.



The PPA crime analysis team will work with the BJJ project manager to develop the details for convening these stakeholders and implementing the web-based data collection system.

1.2 Roles and Responsibilities

1.201 Contractor Staff, Roles, and Responsibilities

The Contractor must identify staff who will be involved, identify by name individuals that are to be designated as Key Personnel (if necessary), and describe in detail their roles and responsibilities. The Contractor should identify where staff will be physically located during contract performance. The Contractor should identify any part-time personnel. Descriptions of roles should be functional and not just by title.

The Contractor should include a detailed project plan as Article 1, Attachment E, including the staff assigned to the project and the amount of that staff person's time devoted to the project over the length of the contract.

It is the responsibility of the Contractor to thoroughly understand and apply Federal standards and policies associated with juvenile crime analysis, including DMC. The CFDA number for this Federal grant project is 16.540.

Contractor Response:

An expert team of experienced researchers has been assembled to conduct this assessment. The lead organization for this research is Public Policy Associates, Incorporated (PPA), a national public policy research, development, and evaluation firm based in Lansing, Michigan. PPA will partner with faculty from Michigan State University (MSU) and independent contractor, Jim Hines.

PPA serves clients in the public and private sectors at the national, state, and local levels by conducting research and analysis that supports informed, strategic decision making. The PPA staff is comprised of professionals with extensive experience and credentials in the areas of juvenile justice policy, corrections policy, workforce and education policy, quantitative and qualitative research methods, complex data analysis, and strategic consultation. **Jeffrey D. Padden**, president and founder of PPA, began working in corrections policy in 1975 when he was elected to the Michigan House of Representatives. He chaired the House Committee on Corrections for eight years and served on the Judiciary Committee, chairing the Subcommittee on Sentencing Guidelines. Mr. Padden will serve as the project administrator for the project.

The PPA offices are equipped with state-of-the-art computers, printers, and up-to-date statistical software that will enable the evaluation team to complete necessary data entry, data analysis, and other program tasks. The research team is located in Lansing, Michigan in close proximity to DHS, BJJ Headquarters. Lansing is centrally situated in Michigan for timely travel throughout the state.

A key advantage of this team for this analysis is its close relationship with DMC research and previous investigators of DMC for the State of Michigan. Members of the team have played significant roles in the study of DMC in Michigan and other states and currently work with the previous DMC investigators for the State of Michigan on other research projects. Having intimate knowledge of the structure and functions of DMC will assure that methods developed to complete this project are aligned with current best practice in the field. This means that the methodology being proposed by the PPA crime analysis team is based on current practice promulgated by the Office of Juvenile Justice and Delinquency Prevention (OJJDP).

Among PPA's team of researchers is **Paul Elam, M.S.**, who has been involved in managing projects and evaluating justice programs for more than 9 years. Mr. Elam is currently working with the Michigan Department of Corrections, the Michigan Council on Crime and Delinquency, the National Institute of Corrections, and the Center for Effective Public Policy as the project manager for the Michigan Prisoner ReEntry Initiative. As project manager he is working with these partners to connect recently released prisoners with the resources necessary for a successful reintegration into the local communities to which they are returning. He is also working with Ingham County and the City of Lansing to develop comprehensive strategies for the prevention of juvenile delinquency.



Mr. Elam has wide experience and competency in project management, research and analysis, site interviews and focus groups, survey design, and program and policy development. Mr. Elam holds an M.S. in criminal justice and urban studies from Michigan State University and is a doctoral candidate in family and child ecology with minors in research design and analysis. Mr. Elam will serve as the project manager for this project.

Francisco A. Villarruel, Ph.D., is a Professor in the Department of Family and Child Ecology, Acting Director of the Julian Samora Research Institute, and a University Outreach and Engagement Senior Fellow at Michigan State University. Dr. Villarruel's work has focused on issues of Latino DMC. He is currently working as a consultant to MacAurther Systems Change in Berks County, Pennsylvania, and as part of a federal appropriations committee to address Latino DMC. He also coauthored two chapters in the 2006 DMC Technical Assistance Manual published by OJJDP. Dr. Villarruel will provide consulting services to help with the evaluation design, crime analysis reporting, data-collection standardization, child welfare policy analysis, and RRI reporting.

Charles J. Corley, Ph.D., is an Associate Professor in the School of Criminal Justice at Michigan State University and consultant to the State of Mississippi's offender re-entry initiative focusing upon juvenile offenders. Dr. Corley is an active researcher and presenter on issues related to delinquency prevention and disproportionate confinement of minority youth. He is the author of several technical reports, refereed publications, and book chapters emanating from investigative participation in Michigan's initial response to OJJDP's DMC. His work has helped to document how various social factors contribute to the over-representation of minority youth in the state's justice system. Specific articles of research include: The impact of gender on juvenile court decisions: A qualitative insight, The impact of race on juvenile court processes: Quantitative analysis with qualitative insights, Conceptions of family and juvenile court processes: a qualitative assessment, and Locking up youth: the impact of race on detention decisions. In addition to the aforementioned investigative research articles, Dr. Corley has participated in various assessments regarding DMC initiatives. Dr. Corley will provide consulting services to help with crime analysis reporting, evaluation design, data-collection standardization, and development of a process for community-based program evaluation.

Jim Hines has worked in the field of juvenile justice and child welfare since 1970. During his 36 years as a successful professional, he has had many experiences and involvements which make him a key member of the crime analysis team. Mr. Hines' career encompass professional roles as a direct service trainee to an executive for 28 years at Camp Highfields, a nonprofit corporation, located in Onondaga, Michigan, which operates campus-based, home-based, and community-based programs for youth, children, and families. Of note, Mr. Hines opened the first home-based family counseling program in mid-Michigan, developed and oversaw Highfields' methods of collecting and reporting outcome information on all of its services, provided a community-based intervention focused on teaching pro-social skills, established 11 counties in mid-Michigan as the service base for Highfields' home- and community-based services, and successfully implemented a new community reintegration design that had been developed by the state. Mr. Hines was also a member and cochair of the Minority Over-Representation Task Force in Jackson County. Mr. Hines will provide consulting services to help with the development of a process for community-based program evaluation and child welfare policy analysis.

Willard Walker is a senior policy consultant at PPA. As policy consultant for the Dellums Commission, Mr. Walker works with the Joint Center for Political and Economic Studies to provide analysis to identify and examine national, state, and local systems, policies, and practices that have the combined and cumulative effect of limiting the life options of young males of color. The goal of the project is to make specific recommendations for needed change in these policies and practices that will result in improved life circumstances for these young men. Responsibilities include consultation on project planning and design; assisting in identification and orientation of project leadership group and principal researchers; identifying key state and local policymakers; providing strategic consultation regarding state and local public policy opportunities and dissemination strategies; and assisting in establishment of connections with national associations of state, local, and tribal offices. Mr. Walker has extensive experience working with workforce, state policy, school-to-work, and race and diversity issues.



He has served as director of program evaluation and planning for the Michigan Department of Labor, Bureau of Employment and Training. Mr. Walker will serve as the senior policy consultant to examine the relationship of DMC juvenile delinquency to the child welfare system.

C. Edward Banks, Ph.D., is the evaluation coordinator for Michigan's Prisoner ReEntry Initiative (MPRI), evaluator for MDOC's Youthful Offender Program, and a senior research associate at PPA. As the MPRI evaluation coordinator, Dr. Banks is responsible for overseeing the work of the MPRI evaluation team and developing a plan for ongoing evaluation of the MPRI. Prior to joining PPA, Dr. Banks was involved in a number of research projects, including the Justice Department's Project Safe Neighborhoods program and project leader for Michigan's Title V, Building Restorative Communities, and Comprehensive Strategy juvenile justice initiatives, where he worked with 30 Michigan communities to help them plan, develop, implement, and evaluate their juvenile justice strategies and programs. Dr. Banks also spent seven years as the Detroit/Wayne County site coordinator for the National Institute of Justice's Arrestee Drug Abuse Monitoring program, where he supervised and coordinated the data-collection and research activities at eight Wayne County law enforcement agencies.

Dr. Banks served as Michigan's research coordinator for the Center for Substance Abuse Prevention's prevention-needs assessment studies. In this position, he managed a statewide school survey assessing substance abuse prevention needs using social indicators and evaluating the adequacy of the substance abuse prevention service system in meeting the needs of high-risk population subgroups. Dr. Banks will serve as a senior research associate for this project and assist with data collection and analysis.

Virginia Beard, Ph.D., is a research associate at PPA. Prior to joining PPA, Dr. Beard worked as a graduate assistant at Michigan State University for the Center for the Advanced Study of International Development, the Department of Political Science, and the James Madison College. Dr. Beard earned her bachelor's degree in political science at Calvin College. She earned her master's degree in public policy and administration and her doctorate in political science at Michigan State University.

Dr. Beard will serve as a research associate and provide data analysis and research support for the project.

Dana Swaney is a research associate for PPA. She possesses strong qualitative and quantitative skills and an advanced knowledge of public health and health care issues, legislative advocacy, and nonprofit associations. She earned her master's degree in public administration with a specialization in health policy from Michigan State University and her bachelor's degree in political science from Ohio Northern University.

Anne Chester is a project assistant for PPA and provides support services for the company's various projects. Ms. Chester is a recent graduate of the University of Michigan. She received a bachelor of arts in both German and political science.

Ms. Chester will serve as the project assistant for the project and provide Web-site, technical, clerical, and project assistance for the project.

Virginia M. Orabone is the director of business management for PPA. She is responsible for all financial and administrative operations, including accounting, human resources, contract administration, and purchasing. Ms. Orabone supervises the administrative staff and manages the day-to-day operations of PPA. In addition, her responsibilities include assisting PPA's two business group managers in the oversight of project timelines and the development and administration of projects and budgets. Ms. Orabone will serve as the business manager for this project.

Stephanie M. Price is a senior editor for PPA. She is responsible for proofreading and editing as well as the overall quality of reports, proposals, letters, and other documents. Ms. Price drafts letters and other documents and contributes to the development of project correspondence. Ms. Price will serve as a senior editor and provide editorial assistance for the project.

To be successful, any contractor selected to carry out the DHS, BJJ crime analysis will need to have not only sophisticated evaluation and juvenile justice capability and experience, but also deep expertise in policy and practice.



They will also need to understand how the results of evaluation research can be used to inform and shape policy. The members of the PPA crime analysis team have exceptional credentials in each of these areas, as demonstrated below.

- Mr. Padden served as Chair of the House Committee on Corrections in the Michigan Legislature from 1977 through 1984, a period of great innovation in corrections policy.
- PPA has conducted national research and policy development in workforce and education over the past decade.
- PPA has carried out several successful complex large-scale, multisite, multiyear process and outcome evaluations.
- PPA has been deeply involved in the development and implementation of the Michigan Prisoner ReEntry Initiative (MPRI), including being the recipient of a grant to design and oversee the evaluation of the Initiative.
- PPA has a very diverse research team with broad experiences needed to complete this project successfully.
- Mr. Elam is the project manager for the MPRI and is involved in working with MDOC to develop a statewide strategy for institutionalization and sustainability.
- Dr. Villarruel is coauthor of two chapters in the 2006 DMC Technical Assistance Manual published by OJJDP.
- Dr. Corley is coauthor of several DMC reports funded from the Michigan Committee on Juvenile Justice through the Bureau of Juvenile Justice, Federal Grants Unit.
- Mr. Hines has 28 years of experience in operating community-based intervention programs for youth.

Another key element to successful execution of a complex, multisite evaluation is clear and frequent communication between the research team and the client. Based on the Invitation to Bid (ITB), PPA and its partners understand that the BJJ and the Governor's Committee on Juvenile Justice are key funders of this project.

We propose that the BJJ project manager assemble a small client team comprised of representatives from BJJ and the Governors Committee on Juvenile Justice. The PPA evaluation team would meet with the BJJ client team on an agreed-upon basis so that project information can flow easily and project decisions can be made in a clear, coordinated fashion. This interaction between the BJJ client team and the PPA evaluation team would vary in frequency and intensity according to the particular work being carried out at the time.

At the outset, we expect the interaction to be more frequent and intense, as the evaluation design and work plans will be crystalized, reviewed, and approved during that phase.

As shown in the organization chart (See Article 1, Attachment B) the project will be administered by Jeffrey D. Padden, President of PPA. He will have overall responsibility for the project, including delivery of all work on time, financial oversight, and client relations. In addition, he will be the leader for **Task 1 – launch and administration**. He will also lead **Task 8 – 2nd year report of findings**.

The project manager is Paul Elam. Mr. Elam will manage all nine tasks and ensure that team members complete their subtasks on time and with the highest level of quality. He will lead the completion of **Task 5 – report DMC data based on RRI** and support the completion of the remaining tasks. This will provide a consistent, coordinated approach to the entire evaluation process.

If necessary, Dr. Francisco Villarruel and Dr. Charles Corley will lead **Task 2 – modification of evaluation design**, contributing to both the final process and outcome evaluation plans. We anticipate that the proposed evaluation design may be slightly modified during start-up discussions with the BJJ client team. They will also lead **Task 3 – create a statewide crime analysis report/process**, and **Task 4 – develop standardized data-collection process**. Dr. Villarruel will lead **Task 7 – present DMC rates/correlations by contact point**.



They will also contribute to the initial project-launch activities, report on DMC data based on RRI, and establishment of evaluation process for community-based intervention programs.

Dr. C. Edward Banks, Dr. Virginia Beard, Virginia Orabone, Dana Swaney, Anne Chester, and Stephanie Price will all provide research and/or project support.

The key staff members will be Mr. Jeffrey D. Padden, Mr. Paul Elam, and Dr. Francisco Villarruel. These members will comprise the project leadership team and will meet with the DHS, BJJ client team to ensure that each step in our work is carefully and accurately aligned with the needs and expectations of BJJ.

1.202 State Staff, Roles, and Responsibilities

The Bureau of Juvenile Justice Grants Manager will be the main contact person for the project staff. The Manager will collect reports and request data as needed. The Grants Manager or Project Manager will also contact agencies to assist in the project when necessary.

1.203 Other Roles and Responsibilities

The Federal Grants for Juvenile Justice in the State of Michigan are contingent on approval by the Michigan Juvenile Justice Committee (MJJC) as established by Executive Order 2003-9. Project staff may need to attend committee meetings and provide information to the committee on occasion.

The data produced from this project will be presented to individual Courts. Contractor may need to attend meetings to justify data gathered and presented, as well as any assessments that are made.

1.3 Project Plan

1.301 Project Plan Management

The Contractor is expected to provide a prepared plan for this project. This plan should include what resources and personnel are going to be utilized for each deliverable and service component. Timeframes for implementation and report procedures are also expected to be provided in the project plan.

Contractor Response:

This section provides a brief summary of the approach the PPA team proposes for this evaluation (see Article 1, Attachment E for a more detailed project plan). The team is prepared to produce all deliverables on the timeline required by the contract and by the DHS, BJJ client team. For purposes of project management, we have grouped the activities included in that approach into nine tasks. These include:

- Task 1: Project launch and administration
- Task 2: Modification of evaluation design
- Task 3: Create a statewide crime analysis report
- Task 4: Develop standardized data-collection process
- Task 5: Report DMC data based on RRI
- Task 6: Establish evaluation for intervention programs
- Task 7: Present DMC rates/correlations by contact point
- Task 8: Second year report of findings
- Task 9: Child welfare policy report

All the requirements of the contract are addressed in these nine tasks, as detailed in Article 1, Attachment E. Although general timelines are shown in that plan, the exact timeline for the various tasks will not be known until the PPA evaluation team meets with the DHS, BJJ client team to review and finalize the work plan. At this meeting, the timeline will be clarified and elaborated to fully meet the needs of the DHS, BJJ client team.

**Task 1: Project launch and administration**

In this first task, the trajectory for the evaluation will be set. The DHS, BJJ client team and the PPA evaluation team will meet together for the first time and will review the goals and work plan of the evaluation to ensure that the parties understand the work in the same way. Another element of this meeting will be discussion and finalization of the format for the periodic progress reports by the PPA evaluation team to the DHS, BJJ client team. These reports will keep the BJJ client team apprised of the results of the PPA evaluation team's efforts.

Task 2: Modification of evaluation design

Following the launch of the project, the PPA evaluation team will make the agreed-upon revisions to the evaluation design. This design will be presented to the BJJ client team in draft form. Based on comments from the BJJ client team, the PPA evaluation team will revise and finalize the design.

Tasks 3 - 9: (see section 1.104 for detail)**1.302 Reports**

An annual report should be generated by the Contractor, providing all data requested. The annual report should include information on all facilities visited. Data should be cumulative in nature and contain any and all issues.

Monthly reports should be submitted beginning at the end of the first month after the contract begins. The monthly report should state all visits made during the time period, all trainings provided, and all technical assistance provided during that time period. The monthly report should also include the estimated time remaining before project completion.

Any additional reports that may be required by BJJGU staff shall be completed within 30 days of request by BJJGU. Examples of these reports would be those necessary to clarify any data submitted for different audiences, such as local communities or the MCJJ.

Reports may be completed and submitted electronically if an electronic tracking system is in place.

Contractor Response:

The key staff members – Mr. Jeffrey D. Padden, Mr. Paul Elam, and Dr. Ed Banks - will meet bimonthly with the BJJ client team and provide monthly and annual progress reports. At a minimum, each progress report will include the status on each task outlined below:

1. Sites and/or facilities visited
2. Crime analysis and DMC data-collection process
3. Extent of DMC based on RRI
4. Evaluation process for community intervention programs
5. Relationship of DMC juvenile delinquency to child welfare
6. Michigan juvenile crime activity/analysis report
7. Trends in over-representation report
8. Conference and workshop planning
9. Summary of technical assistance provided
10. Problems/barriers
11. Work to be done for the upcoming period

The PPA crime analysis team will work with the BJJ project manager to determine the format of the report and identify whether additional tasks should be included in the report. All requests for clarification will be completed within 30 days.

All deliverables (reports) will be completed and submitted in a timely and expeditious manner. Monthly activity reports will be submitted with billing invoices. The narrative will include detail of services performed.



All final reports will summarize the results of all the data-collection activities and will be compiled into an interim report that will be submitted in draft form to the BJJ client team and revised based on the client team's comments. The final report will comply with all requests described in this contract.

The PPA evaluation team will be open to modify this proposed reporting protocol with the BJJ client team during the project launch meeting.

1.4 Project Management

1.401 Issue Management

The project has a key issue of a lack of uniform data system in place within the Juvenile Justice system. This issue must be addressed and the final product and analysis must be comprehensive and must be defensible.

Contractor is expected to identify and discuss any issues foreseen as endangering this project. Issues are things that endanger the project and must be identified, reported and escalated as needed to maintain the progress and success of the project.

Due to the issues stated above, the current data collected has been challenged by several parties due to the lack of large pieces of information. Parties are questioning how each contact point could correlate to another. An example of this would be how does number of dispositions of youth correlate to the number of youth petitioned. These correlations and issues need to be addressed.

Contractor should explain how they would manage the State-identified issues as well as any other issues identified by the Contractor.

Contractor Response:

Jeffrey Padden, Project Administrator, will be responsible for the overall administration and oversight of the contract. As the PPA project manager, Mr. Paul Elam will provide day-to-day leadership of the evaluation, tracking all tasks, timelines, and resources. Task leaders will report progress to Mr. Elam, on a weekly basis. A timeline showing evaluation progress will be included in the periodic reports provided to the BJJ client team, which will ensure that the work proceeds according to the mutually agreed-upon plan and that any deviations from the plan become apparent very quickly.

As issues occur, they will be dealt with by the relevant task leader. If the issue is not resolved at that level, it will be escalated to the project manager and then to the project administrator. Our experience is that issues can be identified and resolved very quickly, so long as the research team and the client team maintain constant, open communication. The bimonthly meetings will document issues as they arise and their resolutions. Issues that arise during the course of the contract that may impede the successful completion of a task will be reported immediately by the PPA project manager to the BJJ project manager via e-mail and telephone.

The PPA crime analysis team is very aware of the lack of a uniform management information system for Michigan's Juvenile Justice system. The proposed methodology assumes the lack of a standardized system and incorporates strategies to improve current data collection processes. If issues arise that were not foreseen by the proposed plan, the protocol described above will be utilized.

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. Please describe the Contractor's risk management process.



Contractor Response:

An evaluation of this type carries with it a number of predictable risks and potential difficulties. The PPA crime analysis team has attempted to anticipate as many of these as possible and to plan for addressing them. In this section, we list several of these risks and difficulties. It is important to note, however, that the most vexing difficulties are often those that cannot be anticipated. The team has a history of meeting such challenges squarely and effectively, as can be documented by speaking with previous clients.

Task leaders will identify and deal with risks when they arise. The PPA project manager and project administrator will assist when needed. With guidance from the BJJ project manager, the PPA project manager will assign levels of risk priority based on the probability of occurrence and impact to the project. Once risks have been assessed, those risks that have been assessed as being unacceptable, or possibly unacceptable, to the PPA project manager, will require development of a risk mitigation strategy. The project manager will work with the project administrator to develop additional efforts that must be taken by the evaluation team to lower the likelihood of the risk occurring and/or to minimize the impact on the project if the risk did occur. Risk can never be totally eliminated, but risk can be managed and mitigated to lessen the likelihood and or impact of the risk on the program.

PPA's risk management strategy will include:

- Roles and responsibilities for developing, implementing, and monitoring the strategy
- Timelines
- Conditions present in order for risk level to be acceptable
- Resources required to carry out the planned actions

1.403 Change Management

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 Office of Purchasing Operations, risk non-payment for the out-of-scope/pricing products and/or services.**

Contractor Response:

The PPA team prides itself on its flexibility. We understand that conditions in the real world change, and that it is an important aspect of applied research to adapt as such changes occur. When the project changes—whether due to unforeseen funding contractions or expansions, revisions to the assessment instrument, or other surprises—we will respond quickly and thoroughly to analyze the effect of the change on the evaluation. We will then collaborate with the BJJ client team to revise the evaluation as necessary to continue to capture the maximum possible value for policy makers, program managers, and staff.

All changes that result from such a process will be documented in the periodic reports to the BJJ client team or included in a change memo. Changes that require additional resources will not be undertaken or billed without the advance written approval of the State.

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.

Data and record keeping reports should be submitted as part of the monthly report so progress can be monitored.



All program and financial reports shall be reviewed for completeness and compliance with requirements at the end of each fiscal year. The final report will need to be approved by the Governor's appointed BJJ committee. When the deliverables are approved in accordance with DHS Bureau of Juvenile Justice Grant Unit procedures that are in effect at the time of acceptance, payment of invoices signifies acceptance.

1.502 Final Acceptance - RESERVED

1.6 Compensation and Payment

1.601 Compensation and Payment

Contractor shall describe the total cost for services as described in Article 1, Statement of Work, Attachment A. Total cost for completion of services will be equitably divided and invoiced monthly for payment. Invoices submitted should clearly show the period of service delivery. The State of Michigan, DHS, BJJ will monitor progress of the project through invoices and reports submitted. Payment will be authorized when DHS, BJJ approves invoices.

1.7 Additional Terms and Conditions Specific to this SOW

1.701 Annual Work & Payment Plan

While a contract may cover multiple years, DHS must encumber funds for each of the State's fiscal periods. The State's fiscal year runs from 10/1 through 9/30.

The DHS BJJ Grant Unit office is responsible for preparing an annual work plan (the DHS Statement of Work) and obtaining budgetary and managerial approvals for each fiscal period. This work plan is developed and presented to the contract vendor annually for review and signature. This activity should be accomplished in time for processing before the start of the fiscal year on October 1. The DHS Statement of Work will detail the activities within the scope of the contract that DHS expects to receive during that State fiscal year. Items to be addressed are what areas and counties will be priorities, what the current contact information will be for the locations to be monitored, and other details to enable the Contractor to successfully perform the duties of the contract. The duties and activities will not substantially change from year to year, but some basic information may change. Also subject to change will be the sequence of the geographic territories to be monitored. The meeting is also an opportunity to review Federal policy and any changes that the Fed's may have made. The pricing, as established by the contract, will apply to these expected activities. DHS and the Contractor will work together to reach agreement on the schedule for each fiscal period to ensure that both parties understand and agree on what work will be expected and reimbursed in each fiscal year.

1.702 Lobbying

The Contractor certifies, to the best of his or her knowledge and belief that;

- 1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- 2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure form to report lobbying," in accordance with its instructions.
- 3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

**1.703 Suspension/Debarment**

The Contractor agrees to ensure that all Contractors and/or sub-contractors are neither excluded nor disqualified under the suspension and debarment rules found at 7 CFR Part 3017.300 by doing any of the following:

- a) Checking the Excluded Parties List System (EPLS) at www.epls.gov;
- b) Collecting a certification that the entity is neither excluded nor disqualified. Since a Federal certification form is no longer available, the grantee or sub-grantee electing this method must devise its own form;
- c) Including a clause to this effect in the sub-grant agreement; and in any procurement contract expected to equal or exceed \$25,000.

1.704 Drug Free Workplace (DFW) Rule

The Contractor agrees to make (A) make a good faith effort, on a continuing basis to maintain a DFW (including taking specific actions described at 7 CFR Part 3021.200 through 3021.230); and (B) identify all workplace locations where work under the Federal award will be performed. Since Federal entities will no longer collect a paper certificate, this may include the following:

- a) Notifying all sub-grantees and Contractors of the Drug Free Workplace rules;
- b) Making conforming changes to internal procedures, directives, training materials, etc.;
- c) Incorporating the new rules into sub-contractor monitoring practices.



Article 1, Attachment A
Pricing

The Contractor shall determine the total cost to the State for three (3) years of services described in the contract.

Enter that number here: \$894,325.00

Divide the three-year dollar amount by three (3) to obtain the annual cost:

Enter that number here: \$298,108.33

This figure should then be divided by the number of months per year (12). This amount shall be the monthly invoice amount.

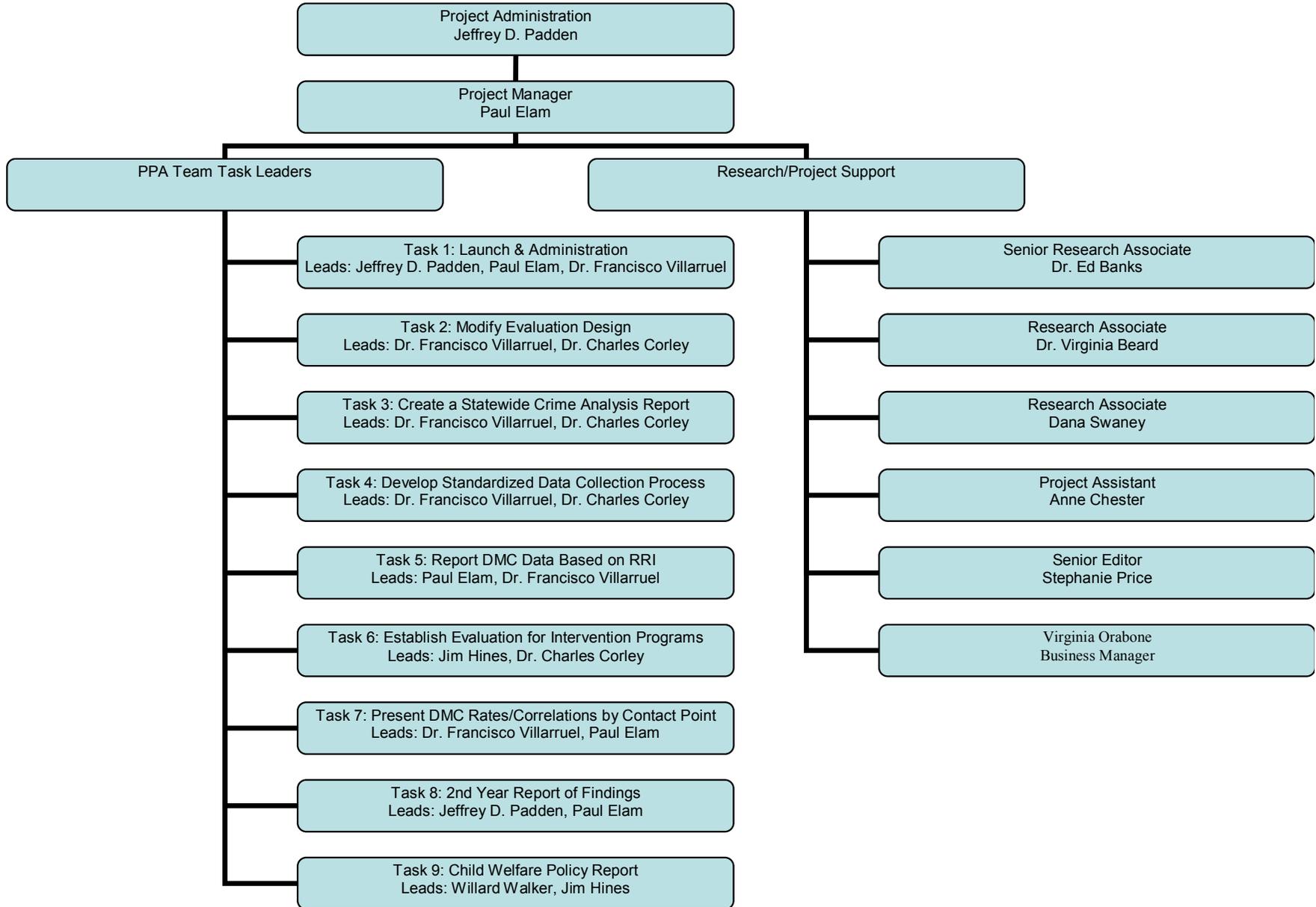
Enter that number here: \$24,842.36

There will be no change to the monthly invoice amount unless the contract is amended by the Michigan Department of Management and Budget. Contract change notices are requested by the funding agency, DHS in this case, to reflect a change in the scope, purpose or terms of the contract.



Article 1, Attachment B

Organizational Chart, including Key Personnel





Article 1, Attachment C
Labor Rates

Project Administrator, \$200
Senior Policy Consultant, \$150
Project Manager, \$130
Business Manager, \$130
Senior Research Associate, \$100
Research Associate, \$85
Senior Editor, \$65
Administrative Support, \$60
Project Assistant, \$60
Subcontractors, \$125

**Article 1, Attachment D**

Deliverables

- Crime analysis report within two (2) years of award
- Semi-annual reports to OJJDP
- Annual over-representation report
- Monthly progress reports
- Crime activity report within two (2) years of award
- Relationship of DMC juvenile delinquency/child welfare report
- DMC by contact point report
- DMC based on the RRI report

Travel reimbursement will be made in accordance with State of Michigan travel policies and travel reimbursement rates. Please reference:

http://michigan.gov/dmb/0,1607,7-150-9141_13132---,00.html



Article 1, Attachment E
Project Plan

The PPA crime analysis team is prepared to produce all deliverables included in the timeline as required by the ITB. Although general timelines are shown below, the exact timeline for the various tasks will not be known until the PPA crime analysis team meets with the BJJ client team and/or project manager to review and finalize the work plan. At this meeting, the timeline will be clarified and elaborated to fully meet the needs of BJJ. See the attached project plan.



DHS, BJJ Crime Analysis Project Plan
January - June, 2007

	Jan-07				Feb-07				Mar-07				Apr-07				May-07				Jun-07			
	WK 1	WK 2	WK 3	WK 4	WK 1	WK 2	WK 3	WK 4	WK 1	WK 2	WK 3	WK 4	WK 1	WK 2	WK 3	WK 4	WK 1	WK 2	WK 3	WK 4	WK 1	WK 2	WK 3	WK 4
Project Meetings				◆								●								●				
Project Deliverables				■				■				■				■				■				■
Draft and Final Reports																								
Task 1: Project launch and administration				■																				
Task 2: Modification of evaluation design					■	■	■	■																
Task 3: Create a Statewide Crime Analysis Report									■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Task 4: Develop Standardized Data Collection Process									■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Task 5: Report DMC Data Based on RRI									■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Task 6: Establish Evaluation for Intervention Programs																								
Task 7: Present DMC Rates/Correlations by Contact Point																								
Task 8: 2nd Year Report of Findings																								
Task 9: Child Welfare Policy Report																								

- ◆ Project launch meeting
- Bi-monthly meeting
- Monthly, semi-annual progress reports
- ☉ Annual, 2 year reports
 - 1 Annual over-representation report
 - 2 DMC juvenile delinquency/child welfare report
 - 3 2 year crime activity report
 - 4 2 year crime analysis report
 - 5 RRI report



**DHS, BJJ Crime Analysis Project Plan
January - June, 2008**

	Jan-08				Feb-08				Mar-08				Apr-08				May-08				Jun-08			
	WK 1	WK 2	WK 3	WK 4	WK 1	WK 2	WK 3	WK 4	WK 1	WK 2	WK 3	WK 4	WK 1	WK 2	WK 3	WK 4	WK 1	WK 2	WK 3	WK 4	WK 1	WK 2	WK 3	WK 4
Project Meetings				●								●								●				●
Project Deliverables				■				■				■				■				■				■
Draft and Final Reports																								
Task 1: Project launch and administration																								
Task 2: Modification of evaluation design																								
Task 3: Create a Statewide Crime Analysis Report																								
Task 4: Develop Standardized Data Collection Process																								
Task 5: Report DMC Data Based on RRI																								
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DHS, BJJ Crime Analysis Project Plan
July - December, 2008

	Jul-08				Aug-08				Sep-08				Oct-08				Nov-08				Dec-08			
	WK 1	WK 2	WK 3	WK 4	WK 1	WK 2	WK 3	WK 4	WK 1	WK 2	WK 3	WK 4	WK 1	WK 2	WK 3	WK 4	WK 1	WK 2	WK 3	WK 4	WK 1	WK 2	WK 3	WK 4
Project Meetings				●								●								●				
Project Deliverables				■				■				■				■				■				■
Draft and Final Reports																☺ 3				☺ 4				☺ 1
Task 1: Project launch and administration																								
Task 2: Modification of evaluation design																								
Task 3: Create a Statewide Crime Analysis Report																								
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Public Policy Associates, Inc.
DHS BJJ
Prepared by P. Elam on October 9, 2006

Rate	Hours and costs for Startup																Percent of Staff on Project							
	Task 1		Task 2		Task 3		Task 4		Task 5		Task 6		Task 7		Task 8			Task 9		Task 10		Total		
	Project Launch		Evaluation Design		Crime Analysis Report		Data Collection Process		RRI Report		Program Evaluation		DMC Rates by Contact		2nd Year Report			Child Welfare Policy		Proj				
	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars		
Internal Hours - PPA Staff:																								
Jeff Padden, Project Administrator	\$ 200	12	\$ 2,400	6	\$ 1,200	6	\$ 1,200	50	\$ 10,000	5	\$ 1,000	5	\$ 1,000	5	\$ 1,000	50	\$ 10,000	10	\$ 2,000	26	\$ 5,200	175	\$ 35,000	2.9%
Willard Walker, Senior Policy Consultant	\$ 150	12	\$ 1,800	7	\$ 1,050	0	\$ -	-	\$ -	0	\$ -	0	\$ -	6	\$ 900	0	\$ -	150	\$ 22,500	27	\$ 4,050	202	\$ 30,300	3.4%
Paul Elam, Project Manager	\$ 130	12	\$ 1,560	12	\$ 1,560	50	\$ 6,500	100	\$ 13,000	50	\$ 6,500	50	\$ 6,500	50	\$ 6,500	50	\$ 6,500	700	\$ 91,000	1,124	\$ 146,120	1,124	\$ 146,120	18.7%
Virginia Orabone, Business Manager	\$ 130	10	\$ 1,300	5	\$ 650	5	\$ 650	5	\$ 650	5	\$ 650	5	\$ 650	5	\$ 650	5	\$ 650	50	\$ 6,500	100	\$ 13,000	100	\$ 13,000	1.7%
Ed Banks, Senior Research Associate	\$ 100	12	\$ 1,200	10	\$ 1,000	524	\$ 52,400	50	\$ 5,000	20	\$ 2,000	100	\$ 10,000	50	\$ 5,000	50	\$ 5,000	25	\$ 2,500	25	\$ 2,500	866	\$ 86,600	14.4%
Virginia Beard, Research Associate	\$ 85	12	\$ 1,020	12	\$ 1,020	524	\$ 44,540	10	\$ 850	100	\$ 8,500	5	\$ 425	100	\$ 8,500	100	\$ 8,500	100	\$ 8,500	25	\$ 2,125	988	\$ 83,980	16.5%
Dana Swaney, Research Associate	\$ 85	12	\$ 1,020	6	\$ 510	524	\$ 44,540	10	\$ 850	100	\$ 8,500	5	\$ 425	100	\$ 8,500	100	\$ 8,500	100	\$ 8,500	25	\$ 2,125	982	\$ 83,470	16.4%
Stephanie Price, Senior Editor	\$ 65	2	\$ 130	2	\$ 130	30	\$ 1,950	18	\$ 1,170	18	\$ 1,170	18	\$ 1,170	18	\$ 1,170	18	\$ 1,170	18	\$ 1,170		\$ -	142	\$ 9,230	2.4%
Anne Chester, Project Assistant	\$ 60	2	\$ 120	5	\$ 300	720	\$ 43,200	15	\$ 900	200	\$ 12,000	15	\$ 900	15	\$ 900	15	\$ 900	15	\$ 900		\$ -	1,002	\$ 60,120	16.7%
Administrative Support	\$ 60	7	\$ 420	5	\$ 300	15	\$ 900	15	\$ 900	15	\$ 900	15	\$ 900	15	\$ 900	15	\$ 900	30	\$ 1,800	10	\$ 600	142	\$ 8,520	2.4%
PPA Internal Labor		93	\$ 10,970	70	\$ 7,720	2398	\$ 195,880	273	\$ 33,320	513	\$ 41,220	218	\$ 21,970	364	\$ 34,020	403	\$ 42,120	503	\$ 55,020	888	\$ 114,100	5723	\$ 556,340	
External Labor and Expense:																								
Subcontractor Hours:																								
Francisco Villarruel	\$ 125	12	\$ 1,500	12	\$ 1,500	150	\$ 18,750	100	\$ 12,500	50	\$ 6,250		\$ -	50	\$ 6,250	50	\$ 6,250	100	\$ 12,500	0	\$ -	524	\$ 65,500	NA
Charles Corley	\$ 125	12	\$ 1,500	12	\$ 1,500	150	\$ 18,750	50	\$ 6,250	50	\$ 6,250	100	\$ 12,500		\$ -	50	\$ 6,250	50	\$ 6,250	0	\$ -	474	\$ 59,250	NA
Jim Hines	\$ 125	12	\$ 1,500	0	\$ -		\$ -		\$ -		\$ -	200	\$ 25,000		\$ -	50	\$ 6,250	150	\$ 18,750	0	\$ -	412	\$ 51,500	NA
Total Subcontractor Costs		36	\$ 4,500	24	\$ 3,000	300	\$ 37,500	150	\$ 18,750	100	\$ 12,500	300	\$ 37,500	50	\$ 6,250	150	\$ 18,750	300	\$ 37,500	0	\$ -	1410	\$ 176,250	
Web data survey							\$ 85,000																\$ 86,000	
Mileage							\$ -																\$ -	
Travel - meals and Lodging							\$ -																\$ -	
Telephone			\$ 50		\$ 50		\$ 10,000		\$ 50		\$ 50		\$ 50		\$ 50		\$ 50		\$ 50		\$ -		\$ 11,350	
Copies and Supplies			\$ 50		\$ 50		\$ 10,000		\$ 50		\$ 50		\$ 50		\$ 50		\$ 5,000		\$ 5,000		\$ -		\$ 20,300	
Total Expenses			\$ 100		\$ 100		\$ 105,000		\$ 100		\$ 100		\$ 100		\$ 100		\$ 5,050		\$ 7,000		\$ -		\$ 117,650	
Total External Costs			\$ 4,600		\$ 3,100		\$ 142,500		\$ 18,850		\$ 12,600		\$ 37,600		\$ 6,350		\$ 23,800		\$ 44,500		\$ -		\$ 293,900	
Overhead Factor on External Costs	15%		\$ 690		\$ 465		\$ 21,375		\$ 2,828		\$ 1,890		\$ 5,640		\$ 953		\$ 3,570		\$ 6,675		\$ -		\$ 44,085	
Total all hours and costs		129	\$ 16,260	94	\$ 11,285	2698	\$ 359,755	423	\$ 54,998	613	\$ 55,710	518	\$ 65,210	414	\$ 41,323	553	\$ 69,490	803	\$ 106,195	888	\$ 114,100	7133	\$ 894,325	



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 a schedule of fully-loaded hourly labor rates.
- (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 ("PO") and Department of Human Services ("DHS") (collectively, including all other relevant State of Michigan departments and agencies, the "State"). PO is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. **PO is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract.** The Contractor Administrator within the Office of Purchasing Operations for this Contract is:

Kevin Dunn
Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
Dunnk3@michigan.gov
517-241-4225

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 Department of Human Services 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 Office of Purchasing Operations.**

The Contract Compliance Inspector for this Contract is:

Jeanette Scroggins
Department of Human Services
235 South Grand Avenue
PO Box 30037
Lansing, MI 48999
Phone: 517.335.3541
Email: scrogginsj@michigan.gov

2.016 Project Manager

The following individual will oversee the project:



Andrew Thalhammer
Department of Human Services
At the same address as above
Phone: 517.335.4256
Email: thalhammera@michigan.gov

2.020 Contract Objectives/Scope/Background

2.021 Background - RESERVED

2.022 Purpose - RESERVED

2.023 Objectives and Scope - RESERVED

2.024 Interpretation - RESERVED

2.025 Form, Function and Utility

If the Contract is for use of more than one (1) State agency and if the Deliverable/Service does not meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

2.030 Legal Effect and Term

2.031 Legal Effect

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

2.032 Contract Term

This Contract is for a period of three (3) years commencing on February 1, 2007 and ending on January 31, 2010. 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 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. **Exhibit C** provides an organization chart showing the roles of certain Key Personnel, if any.
- (ii) Key Personnel shall be dedicated as defined in **Exhibit C** 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 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 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 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 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 30 days of shadowing shall not exceed \$50,000.00 per individual.



- (c) Re-assignment of non-Key Personnel. Prior to re-deploying to other projects, at the completion of their assigned tasks on the Project, teams of its non-Key Personnel who are performing Services on-site at State facilities or who are otherwise dedicated primarily to the Project, Contractor will give the State at least ten (10) Business Days notice of the proposed re-deployment to give the State an opportunity to object to the re-deployment if the State reasonably believes such team's Contract responsibilities are not likely to be completed and approved by the State prior to the proposed date of re-deployment.
- (d) Re-assignment of Personnel at the State's Request. The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good-faith reasons. Replacement personnel for the removed person shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with removed personnel results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted in **Section 2.076** for a time as agreed to by the parties.
- (e) Staffing Levels.
 - (i) All staff requirements not specified in the applicable Statement of Work or State-approved project plan as State personnel will be supplied by Contractor. This includes secretarial, clerical and Contract administration support staff necessary for Contractor to perform its obligations hereunder.
 - (ii) Contractor shall provide sufficient personnel resources for the completion of Contract tasks indicated in Contractor's project plan approved by the State. If the level of personnel resources is insufficient to complete any Contractor Contract tasks in accordance with the Contract time schedule as demonstrated by Contractor's failure to meet mutually agreed to time schedules, Contractor shall promptly add additional qualified personnel resources to the performance of the affected tasks, at no additional charge to the State, in an amount sufficient to complete performance of Contractor's tasks in accordance with the Contract time schedule.
- (f) Personnel Turnover. The Parties agree that it is in their best interests to keep the turnover rate of employees of Contractor and its Subcontractors who are performing the Services to a reasonable minimum. Accordingly, if the State determines that the turnover rate of such employees is excessive and so notifies Contractor, Contractor will meet with the State to discuss the reasons for the turnover rate and otherwise use commercially reasonable efforts to minimize such turnover rate. If requested to do so by the State, Contractor will submit to the State its proposals for reducing the turnover rate to an acceptable level. In any event, notwithstanding the turnover of personnel, Contractor remains obligated to perform the Services without degradation and in accordance with the State-approved Contract schedule.
- (g) Location. All staff assigned by Contractor to work on the Contract will perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel will, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

2.042 Contractor Identification

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

**2.043 Cooperation with Third Parties**

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

2.044 Subcontracting by Contractor

- (a) Contractor shall have full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under this Contract, including payment of any and all charges for Services and Deliverables.
- (b) Contractor shall not delegate any duties under this Contract to a Subcontractor unless the Department of Management and Budget, Office of 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 E** 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/>.

2.052 PM Methodology Standards

The State has adopted a standard documented Project Management Methodology (PMM) for use on all Information Technology (IT) based projects. See the State's PMM website at <http://www.michigan.gov/projectmanagement>.

The Contractor shall use the State's PPM to manage this Contract. If the Contractor requires training on the PMM, those costs shall be the responsibility of the Contractor, unless otherwise stated.

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**

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 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**

Unless otherwise specified by the State within an individual order, the following shall be applicable to all orders issued under this Contract.



- (a) Shipment responsibilities - Services performed/Deliverables provided under this Contract shall be delivered "F.O.B. Destination, within Government Premises." The Contractor shall have complete responsibility for providing all Services/Deliverables to all site(s) unless otherwise stated. Actual delivery dates will be specified on the individual purchase order.
- (b) Delivery locations - Services will be performed/Deliverables will be provided at every State of Michigan location within Michigan unless otherwise stated in the SOW. Specific locations will be provided by the State or upon issuance of individual purchase orders.
- (c) Damage Disputes - At the time of delivery to State Locations, the State shall examine all packages. The quantity of packages delivered shall be recorded and any obvious visible or suspected damage shall be noted at time of delivery using the shipper's delivery document(s) and appropriate procedures to record such.

Where there is no obvious or suspected damage, all deliveries to a State Location must be opened by the State and the contents inspected for possible internal damage not visible externally within 14 days of receipt. Any damage must be reported to the Contractor within five (5) days of inspection. If this inspection does not occur and damages not reported within 30 days of receipt, the cure for such damaged deliveries shall transfer to the delivery signing party.

2.082 Delivery of Deliverables

Where applicable, the Statements of Work/POs contain lists of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document ("Written Deliverable"), a good ("Physical Deliverable") or a Service. All Deliverables 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

- (a) Prior to delivering any of the above-mentioned Statement of Work Physical Deliverables or Services to the State, Contractor will first perform all required quality assurance activities to verify that the Physical Deliverable or Service is complete and in conformance with its specifications listed in the applicable Statement of Work or Purchase Order. Before delivering a Physical Deliverable or Service to the State, Contractor shall certify to the State that (1) it has performed such quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during such quality assurance activities and testing, (4) the Deliverable or Service is in a suitable state of readiness for the State's review and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied.
- (b) If a Deliverable includes installation at a State Location, then Contractor shall (1) perform any applicable testing, (2) correct all material deficiencies discovered during such quality assurance activities and testing, and (3) inform the State that the Deliverable is in a suitable state of readiness for the State's review and approval. To the extent that testing occurs at State Locations, the State shall be entitled to observe or otherwise participate in testing.

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 100 pages or less and ten (10) Business Days for Written Deliverables of more than 100 pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable 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 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 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 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 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 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****(a) 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.

(b) Adjustments for Reductions in Scope of Services/Deliverables

If the scope of the Services/Deliverables under any Statement of Work issued under this Contract is subsequently reduced by the State, the parties shall negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope, using the rates in **Article 1, Attachment C** unless specifically identified in an applicable Statement of Work.



(c) Services/Deliverables Covered

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

(d) Labor Rates

All time and material charges will be at the rates specified in **Article 1, Attachment C**.

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 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 - RESERVED**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

- (a) Reports.

Within 30 days after the Effective Date, the parties shall determine an appropriate set of periodic reports to be issued by Contractor to the State. Such reports may include:

- (i) separately address Contractor's performance in each area of the Services;
- (ii) for each area of the Services, assess the degree to which Contractor has attained or failed to attain the pertinent objectives in that area, including on-time completion and delivery of Deliverables;



- (iii) explain the reasons for any failure to achieve on-time completion and delivery of Deliverables and include a plan for corrective action where appropriate;
- (iv) describe any circumstances that Contractor anticipates will impair or prevent on-time completion and delivery of Deliverables in upcoming reporting periods;
- (v) include plans for corrective action or risk mitigation where appropriate and describe the status of ongoing problem resolution efforts;
- (vi) provide reports setting forth a comparison of actual hours spent by Contractor (including its augmented personnel and Subcontractors) in performing the Project versus hours budgeted by Contractor.
- (vii) set forth a record of the material personnel changes that pertain to the Services and describe planned changes during the upcoming month that may affect the Services.
- (viii) include such documentation and other information may be mutually agreed to verify compliance with, and meeting the objectives of, this Contract.
- (ix) set forth an updated schedule that provides information on the status of upcoming Deliverables, expected dates of delivery (or redelivery) of such Deliverables and estimates on timing for completion of the Project.

(b) Meetings.

Within 30 days after the Effective Date, the parties shall determine an appropriate set of meetings to be held between representatives of the State and Contractor. Contractor shall prepare and circulate an agenda sufficiently in advance of each such meeting to give participants an opportunity to prepare for the meeting. Contractor shall incorporate into such agenda items that the State desires to discuss. At the State's request, Contractor shall prepare and circulate minutes promptly after a meeting.

2.104 System Changes

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

2.105 Reserved

2.106 Change Requests

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

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



If the State requests or directs the Contractor to perform any services or provide deliverables that are consistent with and similar to the Services/Deliverables being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the Statements of Work, then before performing such services or providing such deliverables, the Contractor shall notify the State in writing that it considers the services or deliverables to be an Additional Service/Deliverable for which the Contractor should receive additional compensation. If the Contractor does not so notify the State, the Contractor shall have no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable. If the Contractor does so notify the State, then such a service or deliverable shall be governed by the Change Request procedure in this Section. In the event prices or service levels are not acceptable to the State, the Additional Services or New Work shall be subject to competitive bidding based upon the specifications.

(a) Change Requests

(i) State Requests

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

(ii) Contractor Recommendations

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

(iii) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor's proposal will include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.

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

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

Contractor will use an automated tool for planning, monitoring and tracking the Contract's progress. In addition, Contractor shall use automated project management tools as reasonably necessary to perform the Services, which tools shall include the capability to produce through the end of the Contract: (i) staffing tables with names of personnel assigned to Contract tasks, (ii) project plans showing tasks, subtasks, Deliverables and the resources required and allocated to each (including detailed plans for all Services to be performed within the next 60 days, updated semi-monthly) and (iii) graphs showing critical events, dependencies and decision points during the course of the Contract. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State's standard to the extent such information is described with reasonable detail in the Statements of Work and to the extent the related work is of sufficient project complexity and duration to warrant such reporting.

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 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 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 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 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.

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

2.161b Cross-License – RESERVED

2.161c License - RESERVED

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

If applicable and necessary, all Standard Software used in performing the Services shall be provided to the State under a separate license agreement between the State and the owner (or authorized licensor) of such software. Standard Software to be licensed to the State is listed in **Exhibit J**.

2.166 Pre-existing Materials for Custom Software Deliverables

Neither Contractor nor any of its Subcontractors shall incorporate any preexisting materials (including Standard Software) into Custom Software Deliverables or use any pre-existing materials to produce Custom Software Deliverables if such pre-existing materials will be needed by the State in order to use the Custom Software Deliverables unless (i) such pre-existing materials and their owners are identified to the State in writing and (ii) such pre-existing materials are either readily commercially available products for which Contractor or its Subcontractor, as the case may be, has obtained a license (in form and substance approved by the State) in the name of the State, or are materials that Contractor or its Subcontractor, as the case may be, has the right to license to the State and has licensed to the State on terms and conditions approved by the State prior to using such pre-existing materials to perform the Services.

2.167 General Skills

Notwithstanding anything to the contrary in this Section, each party, its Subcontractors and their personnel shall be free to use and employ its and their general skills, know-how and expertise, and to use, disclose and employ any generalized ideas, concepts, know-how, methods, techniques or skills gained or learned during the course of performing the Services, so long as it or they acquire and apply the foregoing without disclosure of any confidential or proprietary information of the other party.

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 Contractor for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other Contractor; 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.
- (l) 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.



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

2.172 Software Warranties – RESERVED

2.173 Equipment Warranty - RESERVED

2.174 Physical Media Warranty - RESERVED

2.175a Disclaimer

THE FOREGOING EXPRESS WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES AND EACH PARTY EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

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 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 Office of 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 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 (2) times the value of the Contract or \$2,000,000 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 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 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 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 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 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 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 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 **Exhibit D**. 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 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 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 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 Reserved2.250 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 60 calendar days, the Director of Purchasing Operations, DMB, or designee, shall issue a written opinion regarding the issue(s) in dispute within 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 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 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor shall notify the Office of Purchasing Operations.
 - (2) Contractor shall also notify the Office of Purchasing Operations within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
 - (3) Contractor shall also notify Purchasing Operations within 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 convenience or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.280 Environmental Provision

2.281 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 of Michigan
Purchasing Operations
Attention: Kevin Dunn
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

with a copy to:

State of Michigan - Department of Human Services
Attention: Diane K. Allen, Purchasing
235 S. Grand Ave., S# 1205
Grand Tower Building
Lansing, Michigan 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 **Exhibit I** 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 Web-site 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

The rates of wages and fringe benefits to be paid each class of individuals employed by the Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this Contract in privity of contract with the Contractor shall not be less than the wage rates and fringe benefits established by the Michigan Department of Labor and Economic Development, Wage and Hour Bureau, schedule of occupational classification and wage rates and fringe benefits for the local where the work is to be performed. The term Contractor shall include all general contractors, prime contractors, project managers, trade contractors, and all of their contractors or subcontractors and persons in privity of contract with them.

The Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this contract in privity of contract with the Contractor shall keep posted on the work site, in a conspicuous place, a copy of all wage rates and fringe benefits as prescribed in the contract. You must also post, in a conspicuous place, the address and telephone number of the Michigan Department of Labor and Economic Development, the office responsible for enforcement of the wage rates and fringe benefits. You shall keep an accurate record showing the name and occupation of the actual wage and benefits paid to each individual employed in connection with this contract. This record shall be available to the State upon request for reasonable inspection.

If any trade is omitted from the list of wage rates and fringe benefits to be paid to each class of individuals by the Contractor, it is understood that the trades omitted shall also be paid not less than the wage rate and fringe benefits prevailing in the local where the work is to be performed.

2.307 Call Center Disclosure

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

2.308 Future Bidding Preclusion

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



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/epls/servlet/EPLSSearchMain/1>