

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48913

June 8, 2010

CHANGE NOTICE NO. 9
TO
CONTRACT NO. 071B7200206
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Corporation for a Skilled Workforce 900 Victors Way, Suite #350 Ann Arbor, MI 48108 scavanaugh@skilledwork.org	TELEPHONE (734) 769-2900 Sherri Cavanaugh, CFO
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1916 Jim Wilson
Contract Compliance Inspector: Debbie Huntley (517) 335-6878 huntleyd@michigan.gov Job Training Consultant Services – Department of Energy, Labor and Economic Growth	
CONTRACT PERIOD: From: March 7, 2007 To: September 30, 2010	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE(S):

Effective June 1, 2010, this Contract is hereby **EXTENDED** through September 30, 2010, and **INCREASED** by \$300,000.00. All other terms, conditions, specifications, and pricing remain unchanged.

NOTE: The DTMB Buyer for this Contract is changed to Jim Wilson (517) 241-1916.

AUTHORITY/REASON:

Per agency request (PRF dated 4/16/10), vendor agreement (letter dated 4/15/2010), Ad Board approval on 6/1/2010, and DTMB/ Purchasing Operations' approval.

REVISED CURRENT AUTHORIZED SPEND LIMIT: \$3,215,000.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48913

August 25, 2009

CHANGE NOTICE NO. 7
TO
CONTRACT NO. 071B7200206
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE (734) 769-2900
Corporation for a Skilled Workforce 900 Victors Way, Suite #350 Ann Arbor, MI 48108 scavanaugh@skilledwork.org		Sherri Cavanaugh, CFO
		VENDOR NUMBER/MAIL CODE
		BUYER/CA (517) 373-8622
Contract Compliance Inspector: Debbie Huntley (517) 335-6878 huntleyd@michigan.gov		Malynda Little
Job Training Consultant Services – Department of Energy, Labor and Economic Growth		
CONTRACT PERIOD: From: March 7, 2007		To: June 30, 2010
TERMS	N/A	SHIPMENT
		N/A
F.O.B.	N/A	SHIPPED FROM
		N/A
MINIMUM DELIVERY REQUIREMENTS		
N/A		

NATURE OF CHANGE(S):

Effective July 1, 2009, this Contract is hereby:

- (A) Reassigned to Debbie Huntley as DELEG's CCI;**
- (B) INCREASED by \$1,150,000.00 with a cumulative, authorized total through June 30, 2010, of \$2,900,000.00 with the following budget line items approved for expenditure under this agreement:**

Contract 071B72000206 with Corporation for Skilled Workforce		SFY 2008-2009	SFY 2009 – 2010	New
Fund Source	Line Item Description	Sub-Total	Contract Year # 03 INCREASE	BUDGET LINE ITEM TOTAL
(01)	MI Regional Skills Alliance	\$ 283,000.00	\$ 225,000.00	\$ 508,000.00
(02)	Council For Labor & Economic Growth	\$ 790,000.00	\$ 425,000.00	\$1,215,000.00
(03)	Creating 21st Century Workforce	\$ 586,192.00	\$ 500,000.00	\$1,086,192.00
(04)	Jobs, Education & Training (JET)	\$ 53,008.00	\$ 0.00	\$ 53,008.00
(05)	MDOC - per Contract Change Notice # 01 Effective 06/29/07	\$ 37,800.00	\$ 0.00	\$ 37,800.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48913

May 22, 2009

CHANGE NOTICE NO. 6
TO
CONTRACT NO. 071B7200206
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Corporation for a Skilled Workforce 900 Victors Way, Suite #350 Ann Arbor, MI 48108 jmlaprad@skilledwork.org		TELEPHONE (734) 769-2900 Sherri Cavanaugh, CFO
		VENDOR NUMBER/MAIL CODE
		BUYER/CA (517) 373-8622 Malynda Little
Contract Compliance Inspector: Janice Cooper (517) 373-6392 cooperj1@michigan.gov Job Training Consultant Services – Department of Energy, Labor and Economic Growth		
CONTRACT PERIOD: From: March 7, 2007 To: June 30, 2010		
TERMS	N/A	SHIPMENT
		N/A
F.O.B.	N/A	SHIPPED FROM
		N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE(S):

Effective immediately, the State hereby exercises **OPTION 02** of 02 options, revising the Contract expiration date to June 30, 2010.

Additionally, the following budget line items are approved for expenditure under this agreement:

Fund Source	Line Item Description	Previously Approved Sub-Total	Line Item Change	New BUDGET ITEM TOTAL
(01)	MI Regional Skills Alliance	\$ 303,000.00	\$ (20,000.00)	\$ 283,000.00
(02)	Council For Labor & Economic Growth	\$ 500,000.00	\$ 290,000.00	\$ 790,000.00
(03)	Creating 21st Century Workforce	\$ 772,000.00	\$ (185,808.00)	\$ 586,192.00
(04)	Jobs, Education & Training (JET)	\$ 137,200.00	\$ (84,912.00)	\$ 53,008.00
(05)	MDOC - per Contract Change Notice # 01 Effective 06/29/07		\$ 0.00	\$ 37,800.00
	DOC Maximum Total:			\$ 37,800.00
	DLEG Maximum Total:			\$ 1,712,200.00

CUMULATIVE MAXIMUM CONTRACT TOTAL REMAINS:	\$1,750,000.00		\$1,750,000.00
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**Contract #071B7200206
Change Notice #6
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All other terms, conditions, specifications, and pricing remain the same.

AUTHORITY/REASON: AUTHORITY:

- **Vendor request dated 01/13/2009;**
- **Agency review and approval dated 03/05/2009;**
- **Vendor and Agency Line Item Transfer clarification dated 04/15/2009;**
- **DMB review and approval dated 04/15/2009;**
- **State Administrative Board review and approval of terms dated 03/06/2007 and approval of total value dated 06/17/2008**

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$ 1,750,000.00

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48913

July 15, 2008

CHANGE NOTICE NO. 5
TO
CONTRACT NO. 071B7200206
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Corporation for a Skilled Workforce 900 Victors Way, Suite #350 Ann Arbor, MI 48108 sherri@skilledwork.org	TELEPHONE (734) 769-2900 Sherri Cavanaugh, CFO
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-8622 Malynda Little
Contract Compliance Inspector: Janice Cooper (517) 373-6392 cooperj1@michigan.gov Job Training Consultant Services – Department of Labor and Economic Growth	
CONTRACT PERIOD: From: March 7, 2007 To: June 30, 2009	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE(S):

Effective immediately, the DMB Buyer for this Contract is changed to:

Malynda Little
(517) 373-8622
LittleM3@michigan.gov

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

AUTHORITY/REASON:

Per DMB/Purchasing Operations' approval.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$ 1,750,000.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48913

June 19, 2008

CHANGE NOTICE NO. 4
TO
CONTRACT NO. 071B7200206
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Corporation for a Skilled Workforce 900 Victors Way, Suite #350 Ann Arbor, MI 48108 sherri@skilledwork.org	TELEPHONE (734) 769-2900 Sherri Cavanaugh, CFO
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-0684 Erica Busick
Contract Compliance Inspector: Janice Cooper (517) 373-6392 cooperj1@michigan.gov Job Training Consultant Services – Department of Labor and Economic Growth	
CONTRACT PERIOD: From: March 7, 2007 To: June 30, 2009	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE(S): Effective June 18, 2008:

- A) DMB-Buyer is changed to Erica Busick;
- B) DLEG Contract Compliance Inspector (CCI) is changed to Janice Cooper;
- C) Department of Corrections' authority to order services or expend money under terms of this Contract is hereby canceled and withdrawn;
- D) Contractor contacts are up-dated to:
 - Sherri Cavanaugh, CFO and Vendor's Contract Manager
 - Jeannine La Prad, CEO and Program Administrator
 - Larry Good, Chair Board of Directors, and Assistant Program Administrator
- E) Ending date is hereby EXTENDED through 06/30/2009, exercising option 01 of 02 options to renew;
- F) Current authorized spend limit is INCREASED by \$825,000.00, to be expended from 03/01/2008 to 06/30/2009;

G) 2008 – 2009 Budget’s Program and Unit Rates / Line Items are as follows:

Contract 071B7200206				
DLEG – BWP and Corporation for Skilled Workforce				
PROGRAM AREA		Change Notice # 04 (Renewal Option 01 of 02 Options) FY 2008 - 2009 PROGRAM BUDGET TOTAL		
		03/01/2008 – 02/28/2009	03/01/2009 – 06/30/2009	Sub-Total INCREASE
(01)	Michigan Regional Skills Alliance	\$ 124,000.00	\$ 31,000.00	\$ 155,000.00
(02)	Council For Labor & Economic Growth	\$ 240,000.00	\$ 60,000.00	\$ 300,000.00
(03)	Creating 21st Century Workforce	\$ 296,000.00	\$ 74,000.00	\$ 370,000.00
(04)	Jobs, Education & Training (JET)	\$ 109,760.00	\$ 27,440.00	\$ 137,200.00
DLEG Maximum Total (03/01/2008 – 06/30/2009; five (5) quarters):		\$ 769,760.00	\$ 192,440.00	\$ 825,000.00
CUMULATIVE MAXIMUM CONTRACT TOTAL:		\$ 1,750,000.00		
<i>Service Description</i>		<i>RATE</i>		<i>Unit Definition</i>
(a)	Leadership & Management Personnel	\$ 225.00		Per Hour
(b)	Director & Executive Management Personnel	\$ 187.50		Per Hour
(c)	Senior Policy Staff	\$ 175.00		Per Hour
(d)	Policy Development Analyst Staff	\$ 143.75		Per Hour
(e)	Policy Fellows Staff	\$ 80.00		Per Hour

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

AUTHORITY / REASON:

- Per DLEG request dated 04/29/2008;
- DMB - Purchasing Operations’ approval dated 05/05/2008;
- Vendor Concurrence dated 05/12/2008; and,
- State Administrative Board review and approval dated 06/17/2008.

REVISED CURRENT AUTHORIZED SPEND LIMIT: \$ 1,750,000.00

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48913

February 20, 2008

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B7200206
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Corporation for a Skilled Workforce 900 Victors Way, Suite #350 Ann Arbor, MI 48108 jmlaprad@skilledwork.org	TELEPHONE (734) 769-2900 Jeannine La Prad
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-1080 Melissa Castro, CPPB
Contract Compliance Inspector: Diana Carpenter Job Training Consultant Services – Department of Labor and Economic Growth	
CONTRACT PERIOD: From: March 7, 2007 To: March 6, 2009	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE(S):

Effective immediately, this Contract is hereby EXTENDED through March 6, 2009. All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

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

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$925,000.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48913

November 5, 2007

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B7200206
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE (734) 769-2900
Corporation for a Skilled Workforce 900 Victors Way, Suite #350 Ann Arbor, MI 48108 jmlaprad@skilledwork.org		Jeannine La Prad
		VENDOR NUMBER/MAIL CODE
		BUYER/CA (517) 373-1080
Contract Compliance Inspector: Diana Carpenter		
Job Training Consultant Services – Department of Labor and Economic Growth		
CONTRACT PERIOD: From: March 7, 2007		To: March 6, 2008
TERMS	N/A	SHIPMENT
		N/A
F.O.B.	N/A	SHIPPED FROM
		N/A
MINIMUM DELIVERY REQUIREMENTS		
N/A		

NATURE OF CHANGE(S):

Effective immediately, the following budget line items are approved for expenditure under this agreement, and all other terms and conditions shall remain the same:

Line Item #	Line Item Description	Contract's Previously Approved Budget Line Item	Change	New BUDGET LINE ITEM TOTAL
(01)	MI Regional Skills Alliance	\$ 225,000.00	\$ (77,000.00)	\$ 148,000.00
(02)	Council For Labor & Economic Growth	\$ 100,000.00	\$ 100,000.00	\$ 200,000.00
(03)	Creating 21st Century Workforce	\$ 425,000.00	\$ (23,000.00)	\$ 402,000.00
(04)	Jobs, Education & Training (JET)	\$ 175,000.00	\$ (37,800.00)	\$ 137,200.00
(05)	MDOC - per Contract Change Notice # 01 Effective 06/29/07		\$ 37,800.00	\$ 37,800.00
	DOC Maximum Total:			\$ 37,800.00
	DLEG Maximum Total:			\$ 887,200.00
	CUMULATIVE MAXIMUM CONTRACT TOTAL REMAINS:	\$ 925,000.00		\$ 925,000.00

**Contract No. 071B7200206
Change Notice No. 2
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AUTHORITY/REASON:

Pursuant to: Contract Change # 01 on 06/29/2007; Vendor Report on 09/21/2007; DLEG Request on 10/02/2007; and, DMB/Purchasing Operations' approval on 10/29/2007.

TOTAL MAXIMUM CONTRACT VALUE REMAINS: \$925,000.00

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48913

June 29, 2007

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B7200206
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Corporation for a Skilled Workforce 900 Victors Way, Suite #350 Ann Arbor, MI 48108	TELEPHONE (734) 769-2900 Jeannine La Prad
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-1080 Melissa Castro, CPPB
Contract Compliance Inspector: Diana Carpenter Job Training Consultant Services – Department of Labor and Economic Growth	
CONTRACT PERIOD: From: March 7, 2007 To: March 6, 2008	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE(S):

Effective immediately, support and services for the Department of Corrections Michigan Prisoner Re-entry Initiative (MPRI) are hereby INCORPORATED into this Contract. All other terms, conditions, specifications, and pricing remain the same.

AUTHORITY/REASON:

Per agency request (PRF dated 6/20/07) and DMB/Purchasing Operations.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: 925,000.00

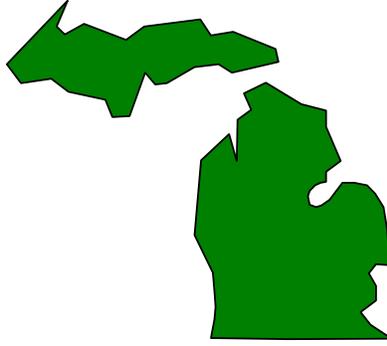
STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
 OR
530 W. ALLEGAN, LANSING, MI 48913

March 21, 2007

NOTICE
OF
CONTRACT NO. 071B7200206
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Corporation for a Skilled Workforce 900 Victors Way, Suite #350 Ann Arbor, MI 48108	TELEPHONE (734) 769-2900 Jeannine La Prad VENDOR NUMBER/MAIL CODE BUYER/CA (517) 373-1080 Melissa Castro, CPPB
Contract Compliance Inspector: Diana Carpenter Job Training Consultant Services – Department of Labor and Economic Growth	
CONTRACT PERIOD: From: March 7, 2007 To: March 6, 2008	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

Estimated Contract Value: \$925,000.00



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

Job Training Consultant Services

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



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Article 1 – Statement of Work (SOW)

1.0 Project Identification

1.001 Project Request

The purpose of Contract is to provide the Department of Labor and Economic Growth (DLEG) and the Department of Human Services (DHS) support for the following initiatives:

- Michigan Regional Skills Alliances, including learning networks, staff capacity building and development of various related written documents;
- The Council for Labor & Economic Growth, including research, analysis, and policy development for its committees, staff capacity building, design and facilitation of meetings;
- The Creating the 21st Century Workforce Initiative, including meeting facilitation and staff capacity building;
- The Jobs, Education and Training (JET) program, specifically proposal/resource development, evaluation, information technology, communications, and Temporary Assistance for Needy Families (TANF) work participation requirements.

1.002 Background

The Department of Labor & Economic Growth (DLEG) seeks to improve the ability of staff at the state and local level to administer the programs described, to ensure the most effective and efficient utilization of the available program funding while providing services to program participants best suited to meet their individual and immediate needs.

Michigan Regional Skills Alliances

Michigan Regional Skills Alliances (MiRSAs) is a gubernatorial initiative that began in 2004. MiRSAs are locally managed partnerships formed to address workforce issues affecting firms operating in the same industry in a distinct geographic area. Among the challenges the MiRSAs set out to resolve are worker shortages, skill shortages, training mismatches, employee recruitment and retention, and organizational design. Key features of MiRSAs include:

- MiRSAs seek to resolve systemic and structural problems by working at a multi-firm, industry-based level.
- MiRSAs are regional in nature and reflect the local labor market. Participating firms draw on a regional labor pool of people who live and work in the region. (“Regional” refers to the geography of labor markets. At a minimum, MiRSAs should cover a county.)
- Employers who participate in such alliances tend to see the business climate as friendly and supportive, an important consideration in location decisions.
- MiRSAs engage all appropriate public and private stakeholders in collaborative problem solving.
- These stakeholders are brought together by a convener, an organization that is acting in part as an organizer but is also a partner with expertise in the issue area.
- Industry sectors in which MiRSAs are formed are a significant part of the local economy, but they need not be the principal industry of the area.

The State of Michigan’s objective for the MiRSA initiative is to assist local areas in developing industry-based partnerships that will promote the economic health and welfare of areas’ businesses and workers. Michigan intends to stimulate and support the development of MiRSAs with the overall goal of providing Michigan employers with a highly skilled workforce and Michigan citizens with careers with good wages and opportunity. Firms that continually upgrade the skills of their employees are more likely to remain competitive and healthy than those that do not. As industries in a region prosper, they tend to attract suppliers who benefit from the proximity to their customers and similar businesses that benefit from the availability of skilled workers.

- MiRSAs focus on the needs of a single industry within a region and multiple employers in that industry;
- Conveners of the MiRSA are key players in the community who have a role in solving the workforce needs in the industry and a role in addressing the need for good jobs by community residents;
- MiRSAs focus on the workers or potential workers at the lower wage end of the industry and work to improve opportunities in those jobs as well as in jobs at higher levels in the career ladder



- MiRSAs provide a mechanism to achieve systemic changes in the industry and workforce that have mutually beneficial results for employers, workers, and the community.

There are currently 32 MiRSAs in Michigan in the following industries:

- Healthcare (Acute and Long-term)
- Advanced Manufacturing
- Hospitality
- Construction
- Electric Utilities
- Tourism
- Forestry
- Information technology
- Homeland Security

The Michigan Regional Skills Alliances Initiative is within the DLEG Bureau of Workforce Programs. There is 11 dedicated staff to the initiative. The staff has two (2) primary responsibilities:

- Provide technical assistance to designated MiRSAs, and
- Develop a knowledge base for assigned targeted industries that allow them to be resources for both the MiRSAs and the DLEG.

As Michigan transforms its economy, the State's workforce investment system must align with the needs of Michigan's employers. A wide range of local and state entities might be able to help, but in most areas it is difficult to identify a single entity that can provide a coordinated effort to solve workforce issue for employers. The public workforce system was not structured to respond quickly and knowledgeably to the issues global competition has created. It was designed to address case-by-case matching of workers and jobs. The MiRSA initiative is a mechanism that can provide a coordinated effort to solve workforce issues for employers.

Council for Labor & Economic Growth

In her March 7, 2005 address to the Council for Labor & Economic Growth (CLEG), Governor Granholm called on the Council to work with her to meet this challenge head-on by moving swiftly and boldly to fuel our 21st Century economy and put tens of thousands to work. Specifically, the 75-member business-led, business majority CLEG is to advise the Governor and the Department of Labor & Economic Growth regarding policies in workforce development, adult education, career and technical education, community colleges, and the workforce elements of economic development.

The Council's membership also includes key leaders from labor, community colleges, universities, K-12 education, community-based organizations, local workforce boards, and government and serves as the federally mandated state workforce board.

In order to perform this role, CLEG must identify the major issues that are impacted by the broad scope of workforce development, economic development and education policy and practice and develop policies and strategies for implementation.

CLEG is the primary vehicle where economic development, workforce development and education meet to develop and align the state's policies in this area. While CLEG serves the federally required function of the State's Workforce Investment Board, it is intended to be much more than that. Both the nature and the character of CLEG are different—with a significantly enhanced stature, profile, and expectations for its work.

CLEG's overarching goals are to:

- Make Michigan a state with a well-educated population with good paying jobs in prospering companies.
- Develop a framework to identify the major national and state economic trends and their implications for workers and employers, both in the long-term and in the short-term.
- Create a picture of how Michigan must respond, both at a statewide and regional level, to catalyze its economy.
- Identify the major issues that are impacted by the broad scope of workforce development policy and practice. Develop strategies to address those issues and an implementation plan to put the needed structures and tools in place.
- Think through the choices and recommendations for action and ensure the resulting strategies, policies and programs reflect their insights.



In order to accomplish these goals and strategies, CLEG members must have access to high quality research and analysis about the issues facing the state, best practices from around the world and expert facilitation.

Creating the 21st Century Workforce: Developing Coordinated Regional Strategies

“Creating the 21st Century Workforce: Developing Coordinated Regional Strategies” is a newly launched state initiative designed to assist with this transition into a 21st Century global economy leader. This initiative is focused on building regional partnerships led by Michigan Works! Agencies (MWAs) to provide leadership in the development and/or strengthening of regional strategies by addressing both the immediate and long-term workforce needs of employers and workers making transitions.

Michigan asked the MWAs to lead multi-stakeholder teams to develop and plan the implementation for comprehensive regional strategies that:

- Develop a new regional rapid response model involving coordinated activities to address layoff response, prevention and build business competitiveness
- Implement a new Skills Information Model to develop accelerated training programs
- Focus on developing, attracting, and retaining talent to build and support the 21st Century economy

Jobs, Education and Training

In 2004, the administration set a goal to revamp the State’s welfare system. In September, Director Udow and former Director Hollister jointly appointed a team to look at the Work First program and make recommendations to strengthen our efforts at helping our clients become independent. The team, called the *Workforce Action Network (WAN)*, developed a comprehensive set of recommendations to change the Work First program which was presented to the two directors in April 2005. The recommended changes to the Work First program became known as *Jobs, Education and Training (JET)*.

On December 31, 2005, sections of The Social Welfare Act expired. In addition, the 2005-2006 Appropriation Act for the DHS called for the implementation of a pilot program in four (4) to six (6) of the existing departmentally recognized shelter areas to help clients address barriers, stay employed, gain skills and advance. These two (2) events provided the opportunity for implementing the recommendations made by the WAN as well as some other changes that DHS has been considering regarding how to increase the financial stability and self-sufficiency of families and permanently becoming free of the need for public assistance. This new approach emphasizes helping welfare recipients and other at-risk workers address barriers, stay employed, gain skills, and advance.

Because of the fundamental structural changes proposed in moving from the Work First system to the JET system, the Workforce Action Network proposed to implement the changes described below in pilots rather than implementing these changes on a statewide basis. Implementing the welfare reform proposal under a pilot approach will allow the state to conduct further research and evaluation to assure that the model works to meet its goals and that operational issues are managed in a controlled environment.

Components of the JET Program

Joint Planning and Service Delivery Coordination: A joint and coordinated planning process between DHS, DLEG, MWAs, and other state and community partners to ensure that the needs of the participants are being met with all of the available community, state, and federal resources. This process will result in a mutually agreed upon plan for delivery of employment and training services.

Comprehensive Intake Process and Orientation: A preliminary determination of the readiness of Family Independence Program (FIP) applicants and recipients to effectively engage in employment and training services through an initial screening and assessment. Using a standardized screening tool and interview techniques, potential barriers to self-sufficiency will be identified. JET sites will be required to use the screening tools and orientation form developed by DHS and DLEG.



Family Self-Sufficiency Plan (FSSP): One plan will be developed for each family. The FSSP will specifically outline services to be provided, explicit action steps for the family and the case manager(s), and expected time frames for completion of these and other self-sufficiency-related actions. The FSSP will be shared electronically between DHS, MWA, MSHDA, and contracted service provider staff and updated as needed by the involved partners.

Family, Employment, and Training Service Delivery: The FSSP will serve as the basic tool for coordinating all family, employment and training services to be provided. It will be essential that enhanced family support and employment and training related services be provided.

Post-Employment Services and Support: Enhanced post-employment services will be offered for a minimum of 180 days after the initial placement. Participants will receive services to increase job-retention and long-term compliance with the self-sufficiency plan. There must also be a process for engaging large/small employers in developing strategies to increase employee retention and advancement.

New and Creative Ways for Making "Work Pay" and for Increasing the Financial Stability of the Family:

- Short term Family Support (STFS): Families who are normally self-sufficient and facing temporary obstacles to continued self-sufficiency may be better served by a one-time, lump sum payment. The STFS amount will be three (3) times the group's monthly FIP grant.
- Sanctions: Sanctions will apply for failure to participate in any part of the plan, even for those deferred from JET. Good cause for non-compliance will be determined jointly by the local DHS, MWA and the participant prior to termination from the JET Program and FIP.

JET Pilot Goals

- Short-term family support will be provided to 10% of applicants, reducing the total active cases by 20% after 18 months.
- 34% of the cases will be closed or reduced after 18 months.
- 75% of the cases that close will not return to the Family Independence Program (FIP) for one (1) year after case closure.
- 10% of the participants will raise reading and math skills to the eighth grade level or above, will obtain a high school diploma, or obtain a General Educational Development (GED) certificate.
- 50% of those participants obtaining employment will show at least a 20% gain in wages compared to their starting employment wage.

By 2008 the State expects to see an increase in earnings for at least 20% of participants such that their incomes will be at 150% of poverty or higher.

1.1 Scope of Work and Deliverables

1.101 In Scope

The Contractor will assist DLEG and DHS to successfully implement and administer the identified projects and initiatives as outlined in Section 1.104.

1.102 Out of Scope - Reserved

1.103 Environment - Reserved

1.104 Work and Deliverable

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



Tasks Related to Support to the Council for Labor & Economic Growth (CLEG):

1. Provide staffing for each of the CLEG's six (6) committees. Contractor staff, in conjunction with state staff, will:
 - Work in close concert with the Committee Chair to ensure the Committee is actively engaged and does work that is both important and effective;
 - Ensure that communication between the Committee and the Council Administrator is excellent and that priorities are aligned; and
 - Manage all clerical, administrative, and logistical functions of the committee.

Contractor Response:

CSW and its subcontractor, Public Policy Associates, will provide staff support to each CLEG committee as needed, including all of the requirements contained in the solicitation. Based on the operations of CLEG to date, we are assuming the required staffing will be for one committee meeting every two or three months for a total of six committees. We're aware that two committees are currently dormant, but expect that they will be revived early this year under leadership of a new Council Chair.

CSW believes it is essential to continue doing this staffing in partnership with designated state staff. In fact, as the Council moves from start up mode to more mature operations, we believe that the balance of responsibility should be shifted increasingly from the consultant to the state staff, with the consultant providing strategic support and assistance to the designated state staff in learning how to effectively support a state Council committee.

We understand this deliverable to be the task of ensuring each committee meets regularly, that the chair is supported in actively engaging his/her committee, and that excellent communication is maintained between the committee, the Council Administrator and the Executive Committee.

2. Consultant staff, in conjunction with state staff, will provide research, analysis, and policy development assistance for CLEG's committees, including, but not limited to:
 - *Tackling major workforce issues facing key industry sectors:*
Build upon the Michigan Regional Skills Alliance initiative by developing strategies for key sectors, such as health care, advanced manufacturing, and alternative energy.
 - *Increasing Michigan's global competitiveness:*
Examine the extent to which Michigan companies, workers, students, educational providers, and communities are prepared to succeed against peers worldwide and develop strategies to address these gaps.
 - *Increasing educational attainment:*
Follow-through on the Lt. Governor Cherry's Commission on Higher Education and Economic Growth recommendations to double the number of Michigan residents with a post-secondary credential during the next 10 years.
 - *Accelerating re-employment:*
Develop strategies to reduce the time, cost, and pain citizens face when involved in career transitions.
 - *Creating a low-wage worker advancement strategy:*
Develop strategies and actions that improve the transition of low-wage, low-skilled workers from entry-level jobs to self-sustaining employment.
 - *Creating a state culture of entrepreneurship:*
Lead a large scale repositioning of how companies and workers embrace entrepreneurship both in the long and short term.

Contractor Response:

This deliverable, in contrast to the prior one, is the substance support requested for CLEG's committees. The consultant will assign a lead from the CSW/PPA team for each committee, and that staffer, working in combination with similarly designated state staff, will undertake required research, analysis, and policy development assistance for CLEG committees.

This work can take many forms, depending on the focus chosen by the committees this year. A few examples from past committee endeavors are indicative of the types of work likely to be required under this deliverable:



Organizing poverty simulations. Consultant staff did required research and event planning for the CLEG low-wage worker committee, resulting in a series of one-day events in which policy makers experience what a person living in poverty goes through.

Creating maps of workforce issues in key industries. Consultant staff facilitated for the Industry Sector Committee a series of meetings with experts within 3 industries – advanced manufacturing, healthcare, and alternative energy, coupling that with research, model design and writing to produce easy to understand maps of key workforce issues facing each industry in Michigan over the next 5-10 years.

Creating a shared vision of the priorities for the workforce system. Consultant staff assisted the Accelerating Re-employment Committee in developing (through a facilitated team spanning many stakeholders) a framework of guiding principles that all could sign onto about the purpose and priorities for Michigan's workforce system.

As the committees progress in 2007 within the context of what is expected to be a major state initiative in workforce development, the specifics on which each committee focuses will need to be altered to align with the intent of that initiative. The context for that initiative is the large-scale transition faced by thousands of Michigan workers as a result of downsizing by major auto manufacturers and others. But regardless of the content, it can be anticipated that the core competencies and types of work outlined above will remain what is required for supporting the committees – facilitation, strategy, writing, research, and model design.

3. Provide focused staff development for the core DLEG staff that provides CLEG support in areas such as:
- Public policy development;
 - Board member engagement and motivation; and
 - Meeting agenda development and facilitation ensuring effective meetings.
 - Designing and facilitating summits, forums, and conferences.

Staff training and assistance in these areas will ensure high quality policy and decision-making support to the leadership, committees, and members of CLEG.

Contractor Response:

CSW will provide ongoing development assistance to the CLEG staff team within DLEG, currently framed as the Administrative Advisory Unit. This assistance will take several forms, including:

Informal coaching, done in the context of planning CLEG meetings and at other points where it is valuable.

Structured staff training around specific skills and content, including but not limited to the four examples bulleted in the solicitation. This training will be experiential and interactive, and will contain rich examples drawn from CSW's extensive work with state and local workforce councils across the country. We anticipate doing these sessions quarterly.

Strategic development sessions with Council staff, CLEG leadership, and DLEG leadership regarding how the Council can achieve the greatest possible impact with its work.

Tasks Related to Michigan Regional Skills Alliances (MiRSA):

1. Facilitate and coordinate annual technical assistance assessment site visits with each designated MiRSA. MiRSA staff conducts an annual technical assistance assessment that consists of three (3) steps:
 - MiRSA staff conducts a desk review of the MiRSA from meeting notes, quarterly reports and other information submitted by the MiRSA to the state. Based on this information, the staff begins to develop questions to be asked during the site visit.
 - Site visit with the convener and non-employer partners. This visit is a conversation about what these partners believe is working well in the MiRSA and helps to identify areas that may need technical assistance.
 - Site visit with the convener and employer partners. These visits are a conversation about the value the employer receives as a partner in the MiRSA and to garner idea for future activity.

Work with MiRSA state staff to develop the expertise to conduct these type of site visits. This may involve going on site visits with MiRSA staff.

**Contractor Response:**

In order to best support the MiRSA state staff in conducting annual MiRSA site visits CSW will work with the team to bolster their technical assistance strategy. We will work with them through their pre- and post-site visit work and help them build deeper capacity for facilitating communication and interaction between employers and other MiRSA partners through the facilitative and consultative-relationship building approaches and tactics described later in greater detail in item 7-organizational development section of this proposal. The 33 MiRSAs are at a different levels of maturity and growth, and operate in different industry and geographic contexts. Consequently, their technical assistance needs will vary widely. Sector initiatives are long-term endeavors that are rich with learning and improvement opportunities; the technical assistance offered will need to reflect that perspective. The ultimate purpose of the technical assistance site visits is to create an objective framework to assist the MiRSA state staff with the development of MiRSA-specific technical assistance plans and the prioritization of the technical assistance needs within and across the individual MiRSA plans.

Due to these MiRSA variations, CSW proposes to support the MiRSA team in preparing and learning from their site visits (i.e., convener and non-employer partner visits and convener and employer partner visits) by engaging them in as many of the following activities as they will find useful after having completed their initial round of site visits:

Review past site visit protocol and results to determine what should be replicated and refined for the next round of site visits;

Clarify and define purpose and outcomes sought;

Review and synthesize information drawn from industry knowledge development work (refer to item 7 –organizational development section of the proposal) along with other assessment and evaluation-based activities that have occurred;

Provide two multi-level learning labs on developing intermediate/advanced-level interview questions and interview (and group discussion) techniques that will allow for more focused non-threatening discussions;

Refine site visit protocol (includes pre- and post-site visit preparations and follow-up work) and technical assistance assessment tools;

Develop communication strategy to inform internal state leadership and MiRSAs of purpose and outcomes and use key content from results that would be beneficial to share with the Governor's office and place in relevant promotional material;

Prepare one to two dry run sessions to test protocol and interviewing techniques;

Perform site visits – consultants could participate in some or all site visits in order to observe the implementation of the protocol and consultative-facilitative techniques being used by MiRSA state staff to inform state staff capacity building efforts;

Test assessment tools during relevant site visits such as cost-benefit analyses and the Aspen Institute's Business Valuation Assessment toolkit (discussed in more detail in item 8 of this proposal) to hone in on the value employer partners perceive to have of the MiRSAs in helping them achieve their business outcomes;

Refine the technical assistance plan framework that will be created between the state staff and the individual MiRSAs;

Hold two types of learning debrief sessions: one type would be mini-debriefs between the MiRSA staff member and unit management with the consultants participating in a selected sample of the mini-debriefs held immediately following the site visit (i.e., within a week following site visit) and the second type would be held at the end of all of the site visits to integrate and imbed learnings from across the site visits.

2. Develop technical assistance modules for and facilitate a minimum of four (4) regional forums
Based on the MiRSA site visits, there may be a technical assistance need identified by a large number of MiRSAs that can be address through seminars (regional forums).

Consultant to work with MiRSA state staff to develop and conduct training through a regional forum.



Contractor Response:

Over the next year, CSW will work closely with the MiRSA state staff to develop and conduct sector strategy-based regional forums. We see the purpose of the forums as opportunities to: educate stakeholders and inform prospective MiRSA planners within regions to embrace sector strategies as a preferred framework or way for “doing business” rather than just seen as an initiative or project; encourage and inform existing MiRSA conveners and partners; inform the communities within the region about the existence and value of sector entities like the MiRSAs; increase employer engagement; increase interaction with employers and the Michigan Works! Agencies; and receive feedback from employer, industry representatives, MiRSA applicants, and conveners.

We propose that the content, format, sequence, and frequency of the MiRSA regional forums be guided by the feedback received from the MiRSAs through past progress reports and evaluations, MiRSA site visits, and MiRSA staff industry knowledge development work (discussed in more detail under item 7 of this proposal). We further recommend that the forums be complementary in focus, content, and timing to the events and learning institutes referenced below. Because the MiRSA initiative is a long-term endeavor that will allow for many improvement opportunities as it matures, the content and activity focus for each forum should be based on the information acquired through the various evaluations and assessments mentioned previously along with position the MiRSAs within a region may find themselves along their own sector life cycle.

Once data gathering and assessment work has been completed, the consultants and the MiRSA state staff can work together on content areas that address the development of goals, plans, strategies, and baseline measures typically required to successfully implement and assess the effectiveness of the MiRSAs within a region. Because sector initiatives use various strategies to address workforce and economic problems that are the focus of their work, the regional forums could address a core set of strategies that many will share that can help ensure the longevity and success of the MiRSAs, which involves but is not limited to: engaging key partners (e.g., employers, educators, community leaders, workforce agencies, etc.) and stakeholders (e.g., job seekers, employees, employers, etc.), building awareness and interest, strengthening and sustaining efforts, projecting anticipated futures, and evaluating outcomes and impact. Additionally, the forums may provide opportunities to guide MiRSAs on how to establish internal processes that will help the alliances frame approaches to communications, knowledge management, learning, oversight, and development of tools, techniques, and tactics. Goals, objectives, and accountability measures can also be addressed and refined further within the forums in order to ensure expended efforts in the MiRSAs generate intended outcomes.

Again, content, format, and frequency of the forums should be dictated by the maturation levels of the MiRSAs within the region in order for the participating MiRSAs to receive the most value from engaging in this type of technical assistance and development approach. CSW will work with the MiRSA state staff to integrate these regional efforts within the broader 21st century workforce strategic regional planning initiative being operated by DLEG and supported through technical assistance within this solicitation, in order to provide targeted regions throughout the state with the most robust and forward thinking technical assistance and workforce development strategies possible. CSW can assist with the tactical planning and logistics preparation tasks that the MiRSA state staff finds to be of the most value to them. In order to ensure learning is captured, shared, and applied, we propose to facilitate learning debrief sessions that would occur immediately after each regional forum in order to inform content and design choices for future forums and events.

3. Coordinate and facilitate Annual Conference.

The MiRSA Initiative conducts an annual conference in October:

- This is usually a two (2) day event
- The first day consists of DLEG speakers, panel discussions and workshops
- The second day is a learning institute where national experts in sectoral approaches to workforce development are brought in to conduct a one (1) day workshop on some aspect of sectoral development.
- Consultants to work with MiRSA staff to:
 - secure a facility,
 - identify speakers and national expertise
 - develop the agenda for the two (2) day annual event



Contractor Response to Task:

We propose that the content, format, sequence, and frequency (i.e., number of events and learning institutes) of the MiRSA events (i.e., annual event and learning institutes) be guided by the feedback received from the MiRSAs through past event evaluations, progress reports, MiRSA site visits, and MiRSA staff industry knowledge development work (discussed in more detail under item 7 of this proposal). We further recommend that the events be complementary in focus, content, and timing to the regional forums mentioned earlier. Based on research, the MiRSAs have expressed a desire to learn from their peers through face-to-face and web-based methods. CSW can work with the MiRSA state staff to assist them in exploring and refining their learning event and network strategies to allow for a broader array of learning opportunities for the MiRSAs at the individual, regional, and state levels. We propose to work closely with the MiRSA state staff to shape the learning event strategy that provides for an experiential and action-oriented learning experience that draws from local and national experts that will be considered a value-add for the event and learning institute MiRSA participants. We will assist with the tactical planning and logistics preparation (e.g., facility reservation, catering finalization, audio/visual arrangements, speaker scheduling, speaker travel arrangements, etc.) for these various events. In order to ensure learning is captured, shared, and applied, we propose to facilitate a learning debrief session that would occur immediately after each event in order to inform content and design choices for future events.

4. Coordinate and facilitate three (3) Learning Institutes, one (1) for healthcare MiRSAs, two (2) on How to Develop an MiRSA:
- In June the MiRSA Initiative holds a Learning Institute for the Health Care MiRSAs. This Learning Institute agenda is dedicated to solely healthcare issues and concerns. The agenda usually highlights best practices and provides an update from various state taskforce. Consultant to work with MiRSA staff to:
 - secure a facility,
 - identify speakers and national expertise,
 - develop the agenda.
 - MiRSA staff will conduct two (2) additional Learning Institutes for all the MiRSAs. Consultants to work with MiRSA staff to:
 - secure a facility,
 - identify speakers and national expertise,
 - develop the agenda for the Learning Institutes

Contractor Response to Task:

The consultant response to this task may be found in item 3, as the support being sought from the consultants for that task integrates with the support being sought for item 4.

5. Develop and coordinate statewide marketing strategy for MiRSA program. This includes the development of marketing collateral and MiRSA Initiative statewide marketing strategy. Marketing collateral to be used by MiRSA state staff and the MiRSAs. Consultant to work with MiRSA to:
- develop statewide marketing strategy,
 - develop marketing collateral,
 - develop marketing strategies.

Contractor Response to Task:

CSW proposes to work with the MiRSA state staff to shape its overall internal and external marketing strategy (and sub-strategies) and collateral materials in a way that will help capture the positive outcomes of the MiRSA initiative that can be shared with internal (e.g., the Governor's Office, DLEG Executive Leadership; other state departments and units, etc.) and external audiences (e.g., existing and prospective MiRSAs, employers, employees, educators, general public, etc.).

We envision the goals of the statewide marketing strategy and plan to include the following: communicate accurately and powerfully the successes of the MiRSA initiative; persuade key audiences that the MiRSA initiative is an important improvement in Michigan's workforce and economic development strategy; strengthen and broaden employer engagement with the MiRSAs; and stimulate an increase in the number of MiRSAs.

We envision advising and supporting the strategic marketing work of the MiRSA team by:

Reviewing the existing marketing strategy and tactics to identify refinement choices; *Drawing data and information* from past assessments, evaluations, and site visits to inform content direction and the choices on the statewide marketing strategy/plan and marketing technical assistance to provide MiRSAs;



Creating and refining marketing and communication goals and outcomes to provide focus and direction for the marketing plan;

Developing and implementing key marketing strategies and tactics, which may include but are not limited to marketing research, branding, promotion, messaging, publicity, positioning, packaging, and distribution;

Assessing, bolstering, and selecting key promotional web-based (i.e., state MiRSA web site, e-newsletters, blogs, Wikis, etc.) and paper-based (brochures, annual reports, fact sheets, etc.) activities that are complementary in nature and tailored to target audiences. It is recommended that paper-based communications such as the annual report become considered a part of the overall marketing strategy and not separate from it. The report layout should be framed to highlight the accomplishments, innovation, outcomes, and impact the MiRSA initiative workforce solutions have had in helping to transform the Michigan's economy; and

Evaluating the effectiveness of the marketing planning efforts to inform continuous improvement choices and decisions.

Each MiRSA will have unique outcomes built into their planning that will be highly dependent on the industry served, the shared vision created by partners, and the determination of specific goals, strategies, and measures agreed upon. Over time, partnerships will grow and strengthen resulting in a more responsive system of workforce and economic development that is valued by employers. As this kind of success is documented and marketed, others will take notice. As one industry prospers, another sees similar challenges can begin the process anew, yielding even broader economic benefits to the region. Ultimately, capturing and marketing the benefits to the employers within local industries will help build and strengthen their ownership of the initiative.

6. Develop MiRSA Annual Report. Consultant to work with MiRSA state staff to develop annual report within the approved format

Contractor Response to Task:

Within the context of the overall marketing work described above, CSW will work closely with DLEG's MiRSA leadership to craft a powerful and compelling annual report that can be a signature marketing piece about this initiative. CSW will assist, as needed, with concept development for the report, facilitating internal agreement on expectations, writing, editing and design.

7. Organizational Development for MiRSA state staff.

The MiRSA Initiative is a nontraditional government program. The MiRSA state staff is in a consulting role capacity versus monitoring. This requires the staff to learn new techniques and develop tools that aid in performing this consulting role. Consultant to work with MiRSA state staff to:

- Learn to facilitate the development of MiRSAs. This includes but not limited to developing skills to:
 - Facilitate meetings,
 - Negotiate solutions amongst the various partners in a MiRSA,
 - Facilitate resolution to relationship issues within a MiRSA,
 - Develop strong listening skills,
 - Identify underlying issues within a MiRSA,
 - Conduct annual technical assistance assessments.

Contractor Response to Task:

DLEG's MiRSA leadership has demonstrated its commitment to investing in the development of the RSA staff team. CSW will provide several services to the staff that can help its members to continue to grow and excel. The CSW team can play a key role in shaping the capacity development strategy that would help the staff understand and work together on defining roles (i.e., facilitator, consultant, industry knowledge broker, etc.), responsibilities, communication processes, brokering relationships and knowledge, and team dynamics. Specific components to building the staff capacity to undertake an array of roles that ultimately help to facilitate the development of MiRSAs include and are not limited to the following:



Developing unit leadership and management capacity for working with both the staff and the department leadership. Leadership is a crucial element of success in an endeavor such as the MiRSA initiative. We propose to work regularly with the team's leadership and management through various strategic meetings by providing individual coaching, performance feedback, and team building consultation to help leadership think through choices, options, and issues that face the initiative and the staff's development. Additional consultation would be provided to help management and leadership to define organizational goals, expectations, and outcomes desired for 2007. It should be noted here that Michigan is a member of a five-state Learning Network sponsored by the National Governors Association regarding the use of sector strategies. This will go on throughout 2006 and likely beyond. This represents a major opportunity that exists during the project timeline for Michigan's team to advance its learning about the MiRSA initiative and related strategies. CSW proposes to facilitate bi-monthly meetings of the Michigan team in Lansing, and to work with MiRSA leadership to ensure this opportunity is taken full advantage of.

Developing unit practices that strengthen the capacity for organizational learning starting with feedback received during the MiRSA site visits mentioned previously. Organizational learning is a strategic commitment to capturing and sharing learning in the organization for the benefit of individuals, teams, the organization, and society. Embracing organizational learning concepts and principles will enable the MiRSA state staff to facilitate and catalyze a broader strategic conversation among MiRSAs with regard to the health of their industry sectors and implications of workforce and economic development factors. As a result, the MiRSA state staff will be able to more readily apply their understanding of the feedback and information received from engaging in site visits, providing consultation and technical assistance, facilitating engagements, and brokering information in order to inform the strategic direction and concerns of the overall MiRSA initiative. The consultant team can begin to bolster the team's organizational learning capacity through the creation and implementation of a protocol that can be used to debrief the MiRSA site visit processes to determine:

Common themes that emerged from the assessments;

New ideas and possibilities;

Common problems and issues;

Implications for MiRSA relationship building and staff work.

It is recommended that the debrief learning sessions occur immediately following the last site visit. In order for organizational learning to be fully successful, it is further proposed that organizational learning assessment occur to inform the choices and options related to other tactics and techniques that can be implemented to further imbed organizational learning into the daily activities of the MiRSA unit in ways that the MiRSA state staff will find to be of the most value to them.

Building deeper staff capacity for facilitating communication and interaction between employers and other MiRSA partners (in conjunction with the industry knowledge development activities described below). There are many different approaches, strategies, and techniques that could be used to strengthen the facilitative and consultative capacity of the MiRSA state staff. In order for the consultant team to successfully support and work with MiRSA staff in building capacity in the facilitative and consultative areas we recommend the following activities:

1. Ascertain the types of skill building the staff or members of the staff have already engaged in to guide recommendations on other skill development techniques that could be created by building from that baseline of information
2. Assess the MiRSA staff's current level of facilitation and consultation skills by observing them in various settings (i.e., meetings, events, site visits, etc.) interacting with internal state and external MiRSA customers to inform capacity development needs and choices
3. Prepare and deliver enhanced facilitation and consultation capacity building sessions. We envision a three-part (i.e., basic, intermediate, and advanced) capacity development series that could occur through a valuable mix of web-based (e.g., webinars) and in-person (e.g., staff meetings, retreats, learning labs, etc.) skill development formats that could be half-day or full-day sessions depending on the needs and interests of the staff.

Build staff capacity for developing, brokering, and managing industry knowledge through individual and group development approaches. As mentioned earlier, members of the MiRSA staff are asked to play many different roles such as facilitator, consultant, MiRSA liaison, technical assistant, OD specialist, and relationship broker just to name a few. Another role that is crucial to the success of the MiRSA initiative is acting as an industry knowledge broker.



The value of the industry knowledge broker role is to facilitate and encourage innovative thinking (i.e., being positioned to provoke discussion and development of new MiRSAs), enhance customer relationships by serving as industry information resources for internal state and external MiRSA customers, facilitate organizational and individual learning, make decisions faster, leverage industry knowledge to inform the strategic direction and concerns of the overall MiRSA initiative, and bolster the other roles MiRSA staff members are asked to play.

In order to effectively carry out the knowledge broker role, we propose the following activities:

1. Provide MiRSA staff with a foundation of knowledge about target industry sectors (e.g., healthcare, advanced manufacturing, alternative energy, hospitality, utilities, construction, agriculture, etc.). This could be in the form of guidebook-style materials for each industry area. These would be designed to permit the MiRSA staff to learn from as time permits, update on a continuous basis, and provide the MiRSA unit with resource materials for future use. The content of the guidebook materials would emphasize topic areas that have implications for workforce development providing insights into industry trends, challenges, innovations, education and training opportunities, and occupational data. Additionally, a robust resource section would provide a mix of national and state internet links and descriptions of associations, networks, industry experts, and industry and occupational data sites to help MiRSA staff members to get connected to and engaged in a more in-depth exploration of a target industry;
2. Develop tactics for building out content of guidebook materials further that could involve the consultant team maintaining the content on behalf of the MiRSA staff, development of protocol the team could use to maintain the content, or a combination of both;
3. Develop approach and techniques to manage knowledge contained within the guidebook materials as the data and information continues to grow. For example, a data base may be more conducive to managing resource information, collaborative software/web-based applications that facilitate online learning networks and knowledge exchange may be helpful when interacting with internal and external customers, or a Wiki page may be helpful to store, update, and share information and documents in one central location;
4. Create individual and group development approaches that support the concept of knowledge management as an important part of a continuous cycle of learning, sharing, reflection, and use of that knowledge. In order to effectively apply knowledge management practices, we recommend that individual development plans be created for each staff member that would outline learning goals, action strategies, and timelines that would serve as an integrative road map for the individual to follow to help build his/her industry knowledge brokering, facilitation, consultation, and other skill base at the individual and group level. We also propose that focused group industry knowledge development time could be designed to occur through monthly or bi-monthly knowledge exchange sessions to provide the staff opportunities to work on "cases" from their portfolios of MiRSAs to discuss an industry-specific situation or opportunity. This could also be an opportunity to explore possible answers and approaches, share useful techniques for addressing circumstances, address implications of relationships and influences between industries (i.e., agriculture, advanced manufacturing, and alternative energy), and transferability to other situations

8. Coordinate the implementation of the Aspen Business Valuation Assessment tool.
The MiRSA initiative is working with the Aspen Institute to do several pilots to implement the use of the Aspen Business Valuation Assessment tool. This tool can be used to determine the value perceived by an employer regarding their involvement in an MiRSA. Consultant to:
 - Work with Aspen Institute, MiRSA state staff and MiRSA pilot staff to implement the Aspen Business Valuation Assessment tool. This includes but not limited to:
 - Train MiRSA state staff on how to use the tool
 - Train the pilot MiRSAs staff on how to use the tool

Contractor Response to Task:

CSW will collaborate with the Aspen Institute, the MiRSA state staff, and MiRSA pilot staff to orient and train all relevant parties on the use and implementation of Aspen's Business Value Assessment (BVA) toolkit. The BVA toolkit is specifically designed to help workforce practitioners and their employer partners to assess the value employers have of their workforce services such as the MiRSAs on helping employers achieve certain business outcomes. The tool is set up to measure before-after comparisons in order to assess the potential impact of services provided to the employer partner. It is envisioned that the work will involve designing and delivering a 1-day workshop to train staff and a selected MiRSA pilot site in the use of the toolkit in order to build the capacity of the staff to support the use of the toolkit in Michigan and to prepare approximately five other MiRSA pilot sites to begin using the BVA toolkit. In order for this to be a successful experiential learning experience, it is recommended that the number of participants be contained to no more than 25 participants to facilitate one-on-one and small group interactions.



CSW and Aspen will work with the MiRSA state staff to evaluate the quality of the opportunity for implementing the Business Value Assessment and select representatives from approximately five MiRSA pilot sites to participate in the workshop. It would be ideal to work with representatives from one of the chosen pilot sites to identify relevant MiRSA examples for the workshop and collaborate with the consultants and the MiRSA state staff on the planning phase prior to the event, who could then share their experience at the workshop.

The creation of the workshop would entail a pre-planning session with CSW, Aspen, and the MiRSA state staff. In order to tailor content to the audience participating in the workshop, a brief pre-workshop needs assessment questionnaire would be created and e-mailed to participants to help identify real-life examples and content focus of the workshop. From this point, materials would be designed and the workshop would be delivered early spring. CSW, Aspen, and the MiRSA state staff will collaborate with the MiRSA pilot sites on how to use and make meaning from the information obtained from the assessments. It is envisioned that the BVA tool will become a regular part of the MiRSA state staff's technical assistance toolkit. A debrief should be scheduled to occur late summer or early fall with the pilot participants, the MiRSA state staff, CSW, and Aspen to reflect on the effectiveness of BVA toolkit. CSW will work further with the state team to guide them on how to incorporate the results into their knowledge management and organizational learning practices, refine their technical assistance approach to supporting the MiRSAs, and how to bring the BVA toolkit to scale. The BVA toolkit should also be considered a part of the MiRSA state staff's measurement and evaluation toolkit described in further detail below.

9. MiRSA Initiative Process/Impact Measurement Development.

The MiRSA Initiative needs to develop process and impact measurements. Consultant to:

- Work with MiRSA state staff to develop MiRSA Initiative process and impact measurements.

Contractor Response to Task:

As mentioned earlier, the MiRSA initiative is a long-term endeavor that will be filled with evolving learning and continuous improvement opportunities. When shaping the measurement and evaluation strategy, time should be taken to clearly define what outcomes and impacts the overall MiRSA initiative should achieve and how gathering this information could be beneficial throughout the life of the initiative. Built off baseline data, different short- and long-term measures can be created to help refine strategies, tactics, and techniques along the way, plan for next steps, and/or show progress to key stakeholders and partners. Throughout the life of the individual MiRSAs various evaluation and process improvement methods, technique, and tools will need to be used to help keep the MiRSAs on course. The age of the MiRSA will help inform decisions on the type of continuous improvement activities the MiRSA should engage in and the type of evaluative technical assistance the MiRSA state staff could potentially provide the MiRSAs. Therefore, we recommend a measurement and evaluation approach that allows for a collaborative, teaching focused, client-consultant partnership. Usually after working collaboratively, the MiRSA state staff's evaluative capacity will have increased dramatically and they will be able to carry out the day-to-day data collection necessary for monitoring their work, measuring progress, and assessing some of their outcomes. Ultimately, through this approach the team will have the capacity to be strategic and selective about when they bring in a third-party evaluation consultant.

The following steps outline what we propose the measurement and evaluation approach might look like:

Identify and organize the decision-makers and stakeholders that could inform process and impact measurement choices and selection;

Facilitate a process and impact measurement identification session with MiRSA state staff;

Determine what data and information may already exist to answer process and impact measurement questions;

Facilitate a second session among MiRSA staff to establish the overall MiRSA initiative evaluation priorities and identify process and impact evaluation methodology such as data review, interviewing and/or focus groups for the former and cost/benefit analysis (i.e., ROI) and/or pre- and post-surveys for the latter. Before implementing an evaluation approach it is important to ensure that the evaluation design support the team's information and learning priorities and the reporting requirements of other stakeholders such as MiRSA and DLEG leadership, funders, etc.;

Create a process to integrate the national sector evaluation work occurring through the National Governors Association (NGA) Sector Learning Network for which the MiRSA state leadership are participating members;

Determine when and if a third party evaluator is needed to assess attainment of process and/or impact measurements;

Establish a process that encourages a collaborative review of the findings and dialogue about the integration of the findings into the day-to-day work of MiRSA state staff and the overall initiative;



Determine the level of technical assistance support the MiRSA staff will be positioned to provide MiRSAs in shaping their own measurement and evaluation strategy.

Ultimately, we believe the MiRSA state staff should utilize measurement and evaluation strategies that promote continuous learning as a MiRSA-wide value and increase the capacity of state staff (and the MiRSAs) to use evaluation findings for the purposes of learning.

Tasks Related to Creating the 21st Century Workforce Strategic Planning Initiative:

Work directly with the local MWAs to lead multi-stakeholder teams to develop and plan the implementation for comprehensive regional strategies that:

- Develop a new regional rapid response model involving coordinated activities to address layoff response, prevention and build business competitiveness
- Implement a new Skills Information Model to develop accelerated training programs
- Focus on developing, attracting, and retaining talent to build and support the 21st Century economy The work undertaken through this effort is a key element of our state's workforce development strategy.
- Consultant staff will schedule and conduct meetings with the staff of the DLEG/BWP Rapid Response Section to provide insight and instruction into the section's roles and responsibilities in support of this initiative while providing technical assistance and training to the same staff so they can effectively and efficiently carry out their roles and responsibilities.

Contractor Response to Task:

The 21st Century Workforce Initiative lays the foundation for completely rethinking how Michigan assists workers, companies and communities accelerate their transitions into becoming part of the "Next Michigan" that Governor Granholm described recently in her inaugural address. The initiative contains an array of elements focused on rapid response to worker dislocation, layoff aversion and earlier interventions with "at risk" companies, building regional coalitions that can create new, innovative strategies, engaging thousands of workers in going back to school as part of their transition strategy, and much more.

CSW believes this initiative lies at the center of the state's workforce strategy, and that it will evolve in coming months to include even more elements that can be formed into an unprecedented multi-faceted campaign to ensure every worker in Michigan can be successful in a new economy. Because of the scope of work we believe is required from the consultant in order to meaningfully contribute to DLEG's extensive initiative, we are proposing tasks within this deliverable category that go beyond those listed in the solicitation. We believe the proposed tasks are necessary but want to be clear we believe some additional work is as well.

1. Develop a new regional rapid response model

This work will assist DLEG in refining and implementing a new approach to how the state and local areas respond to worker dislocations. The new approach contains several key characteristics, including:

Regional - Michigan Works! Agencies, community colleges, economic developers, and other community leaders are being asked to collaborate across entire regions to develop strategies and solutions, without being limited by administrative or political boundaries.

Accelerated - the emphasis will be on assisting workers to move to new careers faster than in the past.

Comprehensive – Strategies are being designed to simultaneously work on how communities, workers and companies transition.

The work of the consultant within this task includes:

Providing strategic advice to DLEG leadership about the design and implementation of the new model;

Conducting research and analysis as to best practices and options in creatively doing rapid response;

Developing written products about the new rapid response model.

2. Provide training and development assistance to DLEG Rapid Response staff

The Rapid Response staff will have new duties and expectations as a result of the 21st Century Workforce Initiative. To assist them with transitioning to meet those requirements, CSW will be:

Facilitating a series of staff meetings in which the rapid response team can build a new model for its work and focus;



Providing training in skills that will be central to success in the new model, such as facilitation skills and technical assistance brokering.

3. Provide technical assistance in the implementation of regional planning efforts under this initiative

During 2006, DLEG gave planning grants to 13 regions covering the entire state. Those newly formed regional planning efforts are designed to build out the region-based strategies and relationships required for this model to succeed. During 2007, those regional teams will need to move from start up into implementation. CSW's roles in assisting that transition will include:

Assisting DLEG in the creation and ongoing updating of a toolkit of information to support the regional planning teams;

Assisting DLEG in its communication with the regional teams;

Assessing the progress of the teams and proposing strategies to DLEG that can help the regional teams to accelerate their work;

Assisting DLEG in planning and conducting 1 event during the year focused on the regional planning teams;

Providing technical assistance to the regional teams where DLEG and the region identify that as adding value.

4. Focus on Developing Talent for Michigan's 21st Century Economy

Employers who are growing good jobs in Michigan are doing so on the basis of the productivity provided by a workforce with more skills and greater agility. A key challenge within this initiative is to use it to encourage workers to increase their educational attainment while transitioning. DLEG will need to work closely in this endeavor with post-secondary educational institutions, especially the community colleges. CSW will consult DLEG in this task in several ways:

Assisting DLEG in launching a major initiative designed to increase substantially the number of dislocated workers who obtain further education and training from community colleges;

Assisting DLEG in framing and launching a public engagement campaign to increase the awareness of the importance of increased educational attainment, and to motivate workers to choose further education as part of their personal transition strategy;

Assisting DLEG in working with Michigan's community colleges to increase their focus on meeting the educational needs of transitioning workers.

5. Development of Skills Information Model

DLEG is working with other contractors to develop the inputs required to populate a new, improved skills information system, capable of giving excellent feedback about skill matches and gaps. This system will allow transitioning workers, advisors, and program planners to customize and accelerate training to specifically target the skills enhancement needs of workers moving to new careers. CSW will help DLEG deploy this strategy by:

Assisting DLEG in working with Michigan Works! Agencies to develop an improved model of career and educational advising as well as job search assistance so that good matches occur more easily;

Assisting DLEG in engaging K-12 and post-secondary career advisers and planners in the development and use of skills information tools within the overall model.

6. Layoff Aversion Strategy Development

A key element of the state's strategy is to focus upstream from actual dislocation events, working with at risk companies much earlier than at the point of layoffs. DLEG and MEDC are rethinking its strategy for layoff aversion, including purchase of an analysis model and of technical assistance services from the University of Michigan and the Michigan Manufacturing Technology Center. That work is part of the bolstering of the layoff aversion strategy. CSW will help DLEG achieve this goal by:

Assisting DLEG in framing and finalizing a new layoff aversion strategy;

Preparing training and support materials for state and local field staff engaging in layoff aversion work;

Assisting DLEG in developing a service delivery model that is appropriate to the new strategy, working in close partnership with MEDC.



7. Conduct a Workforce Summit

Given the scale of the transformations required in the Michigan workforce and in the institutions that help workers learn and transition, we propose that DLEG conduct during the upcoming year a major Workforce Summit that engages diverse stakeholders in coming together to commit to collective action. We imagine such a summit would be hosted by the Governor's Council for Labor and Economic Growth and would include leaders from business, labor, the Michigan Works! Agencies, community colleges, universities and K-12 education. CSW proposes to consult with DLEG in planning and conducting a summit by:

Assisting DLEG in summit design and planning;

Assisting DLEG with event logistics;

Assisting DLEG with preparatory meetings and communications with stakeholder groups and key leaders;

Assisting DLEG in conducting the summit.

8. Provide Strategic and Management Support to the Initiative

This is a complex, multi-dimensional undertaking. Its success will require management of both the strategic choices and the execution. CSW and PPA will help achieve this success by:

Providing regular strategic advising to DLEG about the initiative;

Providing management support to the initiative, such as maintenance of project management timelines and critical path information.

Tasks Related to Implementation of the Jobs, Education and Training (JET) program:

1. Provide facilitation and consultation services in support of the Jobs, Education, and Training program, including:
 - Establish and maintain an internet-based vehicle for ongoing communication with staff, the public and other key stakeholders.
 - Convene and facilitate regional and local staff/key stakeholder sessions to present program changes, review progress, and exchange best practices.
 - Provide written summaries of meetings.
 - Provide an analysis of the information learned from the meeting, including recommended next steps.
 - Convene and facilitate monthly state-level steering committee meetings.
 - Provide an analysis of the information learned from the meeting, including recommended next steps.

Contractor Response to Task:

1. Provide facilitation and consultation services

Context for This Proposal

Since the convening of the Workforce Action Network, CSW has played an integral role in assisting DHS and DLEG leadership in developing and implementing the Jobs, Education, and Training (JET) Initiative. While much progress has been made to date (the four original JET sites are fully operational, and the expansion to the nineteen sites covering 50% of the FIP caseload is well under way), DHS and DLEG are at a critical juncture in terms of JET implementation.

In order to fully realize the original intent of the JET model, to bring families out of poverty and into the economic mainstream and long-term self-sufficiency, the next phase of implementation will require DHS and DLEG to truly reshape how the agencies work together to tap into strategic partnerships at the local and state levels. There are many players who have roles to play in this broad agenda beyond DHS and DLEG; for instance, it will be critical to reposition the community colleges in order to provide JET participants with accelerated, contextualized, and job-specific programs embedding adult basic education with occupational training. This work is about creating a new system that works much differently from the old siloed approach, requiring rethinking about how the system will operate and what needs to happen to make that real. With JET anchoring the State's strategy for meeting TANF work participation requirements, and JET scheduled to expand statewide in the next fiscal year, this strategic work is substantial and of critical importance.



In this proposal we identify places where we believe CSW can help DHS and DLEG achieve the tangible results that are going to be essential. In each case, we propose working to support not supplant DHS and DLEG staff; our role in part is to assist DHS and DLEG in developing the internal capacity to jointly undertake and accomplish major strategic change.

The following section outlines CSW assistance at the local and state levels across all of the four task areas outlined in the RFP, and reflects our experience of this work as an integrated whole rather than distinct pieces.

Technical Assistance at the Local Level: Facilitating Connections of JET Sites to Local Workforce and Economic Development Initiatives

To a large extent, we feel that the next stage of implementation assistance lies in work with the local JET sites. The sites have worked through the mechanics of the model and the local DHS/MWA/MRS partnerships are being solidified. Facilitating the connections between the sites and local partners/initiatives is the next step in building local capacity to forge strategic collaborations in order to maximize local resources.

The two major components of this category of work are:

Convene local meetings to facilitate the connection/partnership between the JET pilots and other workforce and economic development initiatives such as the Regional Skills Alliances and the WIRED initiative. We propose that we begin with the four original JET pilots (Sanilac County, Oakland County-Madison District, Kent County, and Wayne County-Trumbull District) and strategically select two or three other local sites to maximize impact (such as Genesee County). Key to this facilitation will be helping the local sites map out the major initiatives and partners in their area (such as active industry associations, community partnerships, and labor unions).

Strengthen locally the connection between the JET sites and the community colleges. Following a meeting of the DHS/DLEG JET leadership with community college representatives, there is significant interest on the part of the community colleges to partner with the JET sites in a more strategic way to explore program design and services that integrate adult basic education and occupational training. With the education and training restrictions posed by the TANF regulations, it is imperative that the State partner with community colleges to think of creative ways to structure programs that will allow participants to address basic education deficiencies, while also getting the occupational training that will lead to employment. Key to facilitating this local relationship is the role of employers in identifying the occupational clusters in demand and also informing curriculum design. With community colleges being a non-profit, there are also other partnering implications regarding their role in helping the State engage JET participants in countable work activities via community service activities. We need to fully explore the power of this partnership, and propose that begin with the four original JET pilots and Genesee County.

CSW's work in this category will include meeting facilitation, providing technical assistance as needed to specific local partnerships, assisting the bridging of the JET stakeholders with those leading other major initiatives, research where needed, and strategic advice to JET leadership about local roll out. For all meetings, CSW will provide written summaries and analyses of the meetings, with recommended next steps.

Technical Assistance at the State Level: Facilitating Cross-Agency Workgroups, JET Learning Network, Leadership Meetings, and Resource Development

Facilitate Cross-Agency Workgroups: This category focuses on assisting and building the capacity of DHS/DLEG staff in working collaboratively to meet the ongoing program needs related to successful implementation and long-term sustainability of JET. CSW will facilitate meetings and provide summaries, analysis and next steps. Below, we have included a summary of our experience with the workgroups thus far, what next steps have already been identified, and what we perceive as crucial for the workgroups as JET is implemented.

Training: CSW has been facilitating the efforts of the cross-agency training workgroup. Phase I training has already been delivered, and Phase II training is being jointly developed in a webinar series that is aimed at reaching the entire system (around 9,000 participants). Key to further facilitation of this workgroup is strengthening the staff collaboration and clearly articulating the local areas a training plan for the upcoming fiscal year. Although training needs will emerge as the sites progress in their implementation, DHS and DLEG need to better coordinate cross-agency training efforts and clearly communicate to the local sites what training will be available. Delivering effective and timely training is an imperative for continued successful implementation and expansion of JET.

Communications: The work of the cross-agency communications workgroup for this fiscal year includes coordinating media events at six JET expansion sites (to take place in March and April), and produce monthly electronic newsletters highlighting local innovations and best practices. CSW will also work with the cross-agency workgroup to continuously update the JET website and maximize the use of internal communication tools (such as the JET blog).



IT: Being clear about the timeframe, needs, and priorities for IT are the core of the ongoing interactions of the cross-agency IT workgroup. With statewide rollout of the FSSP and FAST, it is critical that IT developments be coordinated and that involved agencies are clear regarding needs and priorities.

Impact Data and Evaluation: The leadership group has made a commitment to review at their weekly meetings impact data on JET. A small cross-agency workgroup will be developing a set of core indicators that will be reviewed weekly, and used to inform data-driven decisions by the leadership group. This same workgroup will be used as a mechanism to review emerging evaluation results and assist the evaluators with data issues. CSW, as the project manager for the evaluation funded by the Joyce Foundation, will continue to coordinate efforts with the University of Michigan National Poverty Center and the W.E. Upjohn Institute for Employment Research. Initial results of the implementation site visits will be shared with the State and local leadership in late January. CSW will also be facilitating conversations between Dr. Sandra Danziger, the University of Michigan principal investigator on the evaluation, and local pilot leadership regarding key findings and operational implications.

TANF Work Participation: CSW has been working with a cross-agency workgroup that drafted the State's initial plan for meeting the TANF work participation requirements. We will continue to work with the group to revise and submit the plan to the US Department of Health and Human Services, and provide the technical assistance needed to ensure that the electronic tools and processes are in place to document and verify actual hours of work participation in core and non-core activities at the local level.

Facilitate JET Learning Network: CSW proposes to continue facilitating the monthly meetings via conference call between the local DHS, MWA, and MRS directors for the JET sites (original and expansion) and the DHS/DLEG leadership in order to share updates and implementation learnings. This learning network is valuable as the pilots move through the various phases of implementation. The recent thematic focus (i.e. education & training) is helpful in allowing the sites to share local challenges while also highlighting innovations and best practices. Key to this ongoing facilitation is ensuring that the sites see value in this learning network.

Facilitate DHS/DLEG Leadership Meetings: CSW proposes to continue facilitating **weekly** leadership meetings with DHS, DLEG, and MWA representatives. This has been a useful process for strengthening the partnership and addressing critical issues to implementation and expansion. These weekly leadership meetings will also be the main mechanism for DHS and DLEG to push on the next phase of implementation, working together to really re-shape how the agencies work together to tap into strategic partnerships at the local and state levels. This ongoing strategic planning facilitated and documented by CSW at the weekly leadership meetings will ensure that the old siloed approach is broken down, and a new truly integrated system develops as a way to meet the JET and State's goals of helping families out of poverty and into the economic mainstream and long-term self-sufficiency.

Resource Development: This category of work includes continuously looking for private and foundation funds to support the goals of JET. In specific, we propose to work with select community foundations to raise funds for local education & training activities, and will also be approaching national foundations for support of year 2 and 3 of the JET evaluation. We also foresee development efforts to support state-level and local planning to reposition community colleges (focus on developing and expanding community college programs that link adult basic education with occupational training), and also to better understand and maximize post-employment supports (focus on the employer role and connectivity).

2. Convene and facilitate ongoing implementation workgroup meetings focusing on specific implementation issues, including, but not limited to training, information technology, communication, and evaluation:
 - Provide written summaries of meetings.
 - Provide an analysis of the information learned from the meeting, including recommended next steps.

Contractor Response to Task:

Response included in item #1.

3. Convene and facilitate periodic (at least annual) joint meetings of state and local DHS, DLEG, MWA, and MRS directors:
 - Provide written summaries of meetings.
 - Provide an analysis of the information learned from the meeting, including recommended next steps.



Contractor Response to Task:

Response included in item #1.

4. Develop plans for and help manage the implementation of JET pilots, statewide expansion of JET, and other related demonstration projects or pilots:
 - Develop plans for, help manage, and implement the pilot projects and overall program changes.

Contractor Response to Task:

Response included in item #1.

1.2 Roles and Responsibilities

1.201 Contractor Staff, Roles, and Responsibilities

It is the responsibility of the Contractor to determine the number and positions of staff to successfully deliver the work and requirements of this Contract. Below is the list of specific individuals, their position and titles, their full time/part time employment status, their physical location and their individual responsibilities in the delivery of the requirements of this contract.

Contractor Response:

Staff Related to Support to the Council for Labor and Economic Growth

<p>Name: Larry Good Position and Title: CSW Board Chair Employment Status: Full-time Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108 Individual Responsibility: Project Manager for CLEG related work; CLEG staff development</p>
<p>Name: Cindee Dresen Position and Title: CSW Director of Operations Employment Status: Full-time Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108 Individual Responsibility: Committee staffing; research and substance development</p>
<p>Name: Kathy Stocking Position and Title: CSW Senior Policy Associate Employment Status: 80%-time Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108 Individual Responsibility: Committee staffing; research and substance development</p>
<p>Name: Adriana Nichols Position and Title: CSW Senior Policy Associate Employment Status: Full-time Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108 Individual Responsibility: Committee staffing; research and substance development</p>
<p>Name: Tammy Coxen Position and Title: CSW Policy & Development Analyst Employment Status: Full-time Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108 Individual Responsibility: Committee staffing; research and substance development</p>
<p>Name: Taryn MacFarlane Position and Title: CSW Policy Fellow Employment Status: 40%-time Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108 Individual Responsibility: Committee staffing; research and substance development</p>



<p>Name: Jeff Padden Position and Title: Public Policy Associates President Employment Status: Full-time Physical Location: 119 Pere Marquette Drive, Lansing, MI 48912 Individual Responsibility: Committee staffing; research and substance development</p>
<p>Name: Nancy Hewat Position and Title: Public Policy Associates Director of Education, Workforce & Economic Development Employment Status: Full-time Physical Location: 119 Pere Marquette Drive, Lansing, MI 48912 Individual Responsibility: Committee staffing; research and substance development</p>
<p>Name: Colleen Graber Position and Title: Public Policy Associates Research Associate Employment Status: Full-time Physical Location: 119 Pere Marquette Drive, Lansing, MI 48912 Individual Responsibility: Committee staffing; research and substance development</p>
<p>Staff Related to Michigan Regional Skills Alliances (MiRSA)</p>
<p>Name: Cindee Dresen Position and Title: CSW Director of Operations Employment Status: Full-time Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108 Individual Responsibility: Project Manager for RSA related work; site visits; regional forums; annual conference; learning institutes; marketing strategy; organizational development; Aspen Business Value assessment; measurement and evaluation strategy</p>
<p>Name: Larry Good Position and Title: CSW Board Chair Employment Status: Full-time Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108 Individual Responsibility: Regional forums; annual conference; learning institutes; marketing strategy; organizational development</p>
<p>Name: Jan Urban-Lurain Position and Title: CSW Senior Advisor/Special Projects Employment Status: 25%-time Physical Location: 2835 Dobie Road, Mason, MI, 48854 Individual Responsibility: Site visits; regional forums; annual conference; learning institutes; marketing strategy; organizational development; Aspen Business Value assessment; measurement and evaluation strategy</p>
<p>Name: Gary Yakimov Position and Title: CSW Director of Employer Initiatives Employment Status: Full-time Physical Location: 8710 Tuckerman Lane, Potomac, MD, 20854 Individual Responsibility: Regional forums; annual conference; learning institutes; organizational development; Aspen Business Value assessment</p>
<p>Name: Tammy Coxen Position and Title: CSW Policy & Development Analyst Employment Status: Full-time Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108 Individual Responsibility: Research and substance development</p>



Staff Related to Creating the 21st Century Workforce Strategic Planning Initiative

Name: Kathy Stocking
Position and Title: CSW Senior Policy Associate
Employment Status: 80%-time
Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108
Individual Responsibility: Project Manager for 21st Century related work; new regional rapid response model; training and TA to rapid response staff; regional planning TA; developing talent for 21st century economy; development of skills information model; layoff aversion strategy; workforce summit

Name: Larry Good
Position and Title: CSW Board Chair
Employment Status: Full-time
Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108
Individual Responsibility: New regional rapid response model; regional planning TA; developing talent for 21st century economy; layoff aversion strategy; workforce summit; strategic advice and management

Name: Jeannine La Prad
Position and Title: CSW President & CEO
Employment Status: Full-time
Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108
Individual Responsibility: Developing talent for 21st century economy

Name: Cindee Dresen
Position and Title: CSW Director of Operations
Employment Status: Full-time
Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108
Individual Responsibility: Training and TA to rapid response team; regional planning TA

Name: Ed Strong
Position and Title: CSW Director of Human Capital Initiatives
Employment Status: Full-time
Physical Location: 4595 N. Progress Avenue, Harrisburg, PA, 17110
Individual Responsibility: New regional rapid response model; developing talent for 21st century economy; layoff aversion strategy; strategic advice and management

Name: Adriana Nichols
Position and Title: CSW Senior Policy Associate
Employment Status: Full-time
Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108
Individual Responsibility: Developing talent for 21st century economy

Name: Kristin Wolff
Position and Title: CSW Director of Community Initiatives
Employment Status: Full-time
Physical Location: 529 SE Grand Ave., Suite 301, Portland, OR 97214
Individual Responsibility: Developing talent for 21st century economy

Name: Lisa Katz
Position and Title: CSW Senior Policy Associate
Employment Status: Full-time
Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108
Individual Responsibility: Developing talent for 21st century economy; development of skills information model; layoff aversion strategy; workforce summit



Name: Jeff Padden
Position and Title: Public Policy Associates President
Employment Status: Full-time
Physical Location: 119 Pere Marquette Drive, Lansing, MI 48912
Individual Responsibility: Strategic advice and management

Name: Colleen Graber
Position and Title: Public Policy Associates Research Associate
Employment Status: Full-time
Physical Location: 119 Pere Marquette Drive, Lansing, MI 48912
Individual Responsibility: Project management support for DLEG on the 21st Century related work

Staff Related to Implementation of JET Program

Name: Adriana Nichols
Position and Title: CSW Senior Policy Associate
Employment Status: Full-time
Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108
Individual Responsibility: Project Manager for JET related work; connections of JET sites to workforce and economic development initiatives; cross-agency work groups; learning network; strategic leadership; resource development

Name: Jeannine La Prad
Position and Title: CSW President & CEO
Employment Status: Full-time
Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108
Individual Responsibility: Connections of JET sites to workforce and economic development initiatives; resource development

Name: Larry Good
Position and Title: CSW Chairman
Employment Status: Full-time
Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108
Individual Responsibility: Connections of JET sites to workforce and economic development initiatives; resource development

Name: Ed Strong
Position and Title: CSW Director of Human Capital Initiatives
Employment Status: Full-time
Physical Location: 4595 N. Progress Avenue, Harrisburg, PA, 17110
Individual Responsibility: Strategic leadership; resource development

Name: Kathy Stocking
Position and Title: CSW Senior Policy Associate
Employment Status: 80%-time
Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108
Individual Responsibility: Cross-agency work groups

Name: Carrie Hammerman
Position and Title: CSW Policy & Development Analyst
Employment Status: Full-time
Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108
Individual Responsibility: Cross-agency work groups



<p>Name: Fiona Greenland Position and Title: CSW Policy Fellow Employment Status: 50%-time Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108 Individual Responsibility: Cross-agency work groups</p>	
<p>Name: Elizabeth Rhodes Position and Title: CSW Policy Fellow Employment Status: 50% time Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108 Individual Responsibility: Cross-agency work groups</p>	
<p>Staff Related to Project Management</p>	
<p>Name: Larry Good Position and Title: CSW Board Chair Employment Status: Full-time Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108 Individual Responsibility: Project Director</p>	
<p>Name: Cindee Dresen Position and Title: Director of Operations Employment Status: Full-time Physical Location: 900 Victors Way, Suite 350, Ann Arbor, MI 48108 Individual Responsibility: Meta-Project Manager</p>	

1.202 State Staff, Roles, and Responsibilities

Michigan Regional Skills Alliances:

Pertaining the administration and operation of the MiRSA initiative, the primary state staff would include:

- Vicki Enright, Bureau of Workforce Programs, Field Services Division, Division Director
Responsible for setting the executive direction for the MiRSA Initiative, approval of specific work plans for each deliverable outlined in this RFP, meet with consultants regularly for updates on progress of implementation of work plan as described in this RFP
- Diana Carpenter, Bureau of Workforce Programs, Field Services Division, Michigan Regional Skills Alliances Section, Section Manager
Responsible for the development of the strategic plan and daily operations of the MiRSA Initiative. Role for this project:
 - Work closely with the consultants to implement the work plan described in this RFP.
 - Meet with consultants to develop specific work plans for each deliverable outlined in this RFP
 - Seek upper management approval of specific work plans for each deliverable outlined in this RFP
 - Work with MiRSA state staff to implement specific work plans for each deliverable outlined in this RFP
- Janice Cooper, Bureau of Workforce Programs, Field Services Division, Michigan Regional Skills Alliances Section, Operational Manager
Responsible for assisting in the development of the strategic plan and daily operations of the MiRSA Initiative. Role for this project:
 - Work closely with section manager and the consultants to implement the work plan described in this RFP
 - Meet with consultants and section manager to develop specific work plans for each deliverable outlined in this RFP
 - Work with MiRSA state staff to implement specific work plans for each deliverable outlined in this RFP



Council for Labor & Economic Growth:

Sue Ann Searles, Manager, Advisory Administration Unit of the Department of Labor and Economic Growth, Executive Office, will have administrative authority for the consultant duties regarding the Council for Labor and Economic growth.

Creating the 21st Century Workforce: Developing Coordinated Regional Strategies:

The administration and operation of the Creating the 21st Century Workforce regional planning process will be headed by Ms. Brenda C. Njiwaji, Director, BWP, supported by Ms. Debra Hennessey, Manager, Rapid Response Section and all Rapid Response Section staff.

Jobs, Education and Training:

The Department of Human Services staff interacting with the Contractor will be based on individual responsibilities, work schedule, experience and knowledge of the programs impacted by the contracting with a consultant and that insure the successful implementation and administration of the programs and initiatives described at the time the contract is implemented.

1.203 Other Roles and Responsibilities - Reserved

1.3 Project Plan

1.301 Project Plan Management

The Contractor will present a project management plan identifying the methods, tools and processes proposed to oversee the projects described in Section 1.104. The Contractor will also describe in the project management plan how any issues which arise through the management of the projects listed in Section 1.104, will be conveyed to the appropriate state staff and the along with the suggested resolution to the issues.

Contractor Response:

Project management is an integral part of CSW projects, which involves guiding your project from its beginning through implementation to its closure. Throughout the duration of the project, CSW will maintain regular communication with the clients via meetings and progress report updates (i.e., paper or electronic mail-based), carry out internal team communications, provide developing, editing, and/or formatting of all deliverables, track the work plan progress and budget through regular monitoring of project team work and updating of Excel spreadsheets, as well as the usual invoice management and administrative oversight.

This project will have a two person leadership and meta-project management team. CSW Chairman Larry Good will be the project director and will provide strategic leadership to the overall project, including providing strategic counsel to DLEG leadership. CSW Director of Operations Cindee Dresen will be the meta-project manager, providing oversight and coordination of the work of the project managers who will be managing the MiRSA, JET, CLEG, and 21st Century Workforce task areas. The meta-project manager will also focus on monitoring and initiating action required to ensure overall project timeliness, cost effectiveness, and quality of work. This includes monitoring and addressing issues and changes related to project scope, timeline, budget, staffing, work deliverables, and communication. The meta-project manager will also collaborate with DLEG leadership and DLEG's project manager, Diana Carpenter, to establish process, expectations, and protocols to help ensure consistent communication and timely issue management resolution. Larry Good's strategic leadership and counsel to DLEG's leadership and Cindee Dresen's work as meta-project manager will help ensure that all four task areas are structured to deliver the highest possible impact for DLEG and DHS.

The project manager for each major task area will focus his or her energies on developing, refining, and maintaining a workable project plan and manage project team members to accomplish the overall objectives of the project task areas that have been undertaken. This work entails: overseeing the work of CSW and subcontracted team members; planning, initiating, monitoring, and addressing actions required to ensure the overall project timeliness, cost effectiveness, and quality; establishing and maintaining relations and consistent communication with team members, meta-project manager, project director, project partners, and clients; acting as a single point of contact for the clients in working through project logistics, timeframes, and issues related to the project task area; making project staffing adjustments as necessary to ensure the project work and delivery of products are completed to the clients' satisfaction; and ensuring that all follow-up actions are determined and implemented with the clients at the close of the project task areas.



As part of the project plan management process, it is recommended that issues will be most effectively managed using the following steps:

1. Identify the issue or issues by assessing the symptoms, underlying parts, potential project impact, urgency (i.e., importance to the overall project and project task area), and priority (i.e., order in which the issue or issues will get resolved);
2. Communicate on a timely basis with relevant individuals (e.g., project manager, DLEG leadership, DLEG project manager, task area clients, project team members, etc) about the issue(s) that have been identified and its ramifications;
3. Identify and determine alternative actions that could be taken to resolve the issue(s);
4. Decide on action to take to resolve the issue(s), inform relevant individuals about issue resolution decision/recommendation, and how the action will be undertaken;
5. Make recommendation to relevant individuals (i.e., DLEG leadership, DLEG project manager, task area clients, project manager, project team members, etc.) on approach to resolve the issue(s).

Depending on the nature of the issue(s), it is expected that the project manager will follow the steps in the issues management process by working with his/her relevant client. For issues that can't be resolved at the project manager level, it is expected that the project manager communicate unresolved issues immediately to the meta-project manager for assessment on resolution choices and action that may involve communication (e.g., meetings, memo, e-mail, etc.) with DLEG leadership, DLEG project manager, and/or Larry Good to resolve the issue in a mutually acceptable way. Issues and their associated resolutions can be tracked via an issue log (e.g., Excel or Word table), memos, contract modifications, and/or work plan refinements. The type of issue will inform choices and options regarding resolution decisions and actions, timing, and type of communication tool, technique and/or processes. The process outlined above is intended to encourage thoughtful rather than reactive issue management response. The following is a listing of CSW team members who will implement the issue management process depending on the type of issue to be resolved:

Larry Good, Project Director and CLEG Project Manager, (734) 769-2900, lagoon@skilledwork.org

Cindee Dresen, Meta-Project Manager and MiRSA Project Manager, (734) 769-2900, cdresen@skilledwork.org

Adriana Nichols, JET Project Manager, (734) 769-2900, anichols@skilledwork.org

Kathy Stocking, 21st Century Workforce Project Manager, (734) 769-2900, kstocking@skilledwork.org

1.302 Reports

Provide written summaries of meetings and provide an analysis of the information learned from the meeting, including recommended next steps for the JET related activities:

- Regional and local staff/key stakeholder sessions to present program changes, review progress, and exchange best practices.
- Monthly state-level steering committee meetings.
- Ongoing implementation workgroup meetings focusing on specific implementation issues, including, but not limited to, training, information technology, communication, and evaluation.
- Joint meetings of state and local DHS, DLEG, MWA, and MRS directors.

Contractor Response:

CSW will provide written summaries and analysis of information for all JET meetings, as well as all other task areas as applicable. See the specific responses in the task areas for details.

1.4 Project Management

1.401 Issue Management

Issues are those things that endanger the project. It includes imminent threats and events that may have already occurred. Please specify in your bid response the issue management process that will be utilized for this project, including responsible parties, phone numbers and e-mail addresses. Identify how issues will be captured, reported and escalated.

**Contractor Response:**

See issue management response above in item 1.301 as we included issue management as an integral part of the overall project plan management process.

1.402 Risk Management - Reserved**1.403 Change Management**

Requests for revision in the Contract may originate from a written request issued by any of the state staff identified in Section 1.202 or from the contractor. The request for revision should be formally submitted in writing to the Purchasing and Grant Services Division for review and approval by the Department Director or his/her designee. The Purchasing and Grant Services Division would then forward the request for change to the buyer for the Department of Management and Budget, Purchasing Operations, for his/her consideration and the development of the contract modification.

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

1.5 Acceptance**1.501 Criteria**

The following criteria will be used by the State to determine Acceptance of the Services and/or Deliverables provided under this SOW:

State staff identified in the Roles and Responsibilities section of this Contract, who will be working directly with the Contractor on an ongoing basis, will have the responsibility to ensure that all the criteria and activities detailed in the Work and Deliverable section of this Contract is achieved by the Contractor. This same State staff will have final approval and acceptance of all services performed by the Contractor.

1.502 Final Acceptance - Reserved



1.6 Compensation and Payment

1.601 Compensation and Payment

This Contract is a Firm Fixed Price Contract.

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

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

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

The project is dependant on the availability of funding from the United States Department of Labor and the United States Department of Health and Human Services. If funds are not appropriated in any given year, the contract may be terminated.

1.7 Additional Terms and Conditions Specific to this SOW- Reserved

**Article 1, Attachment A**

Pricing

This is a fixed price contract for each of the four (4) initiatives outlined below:

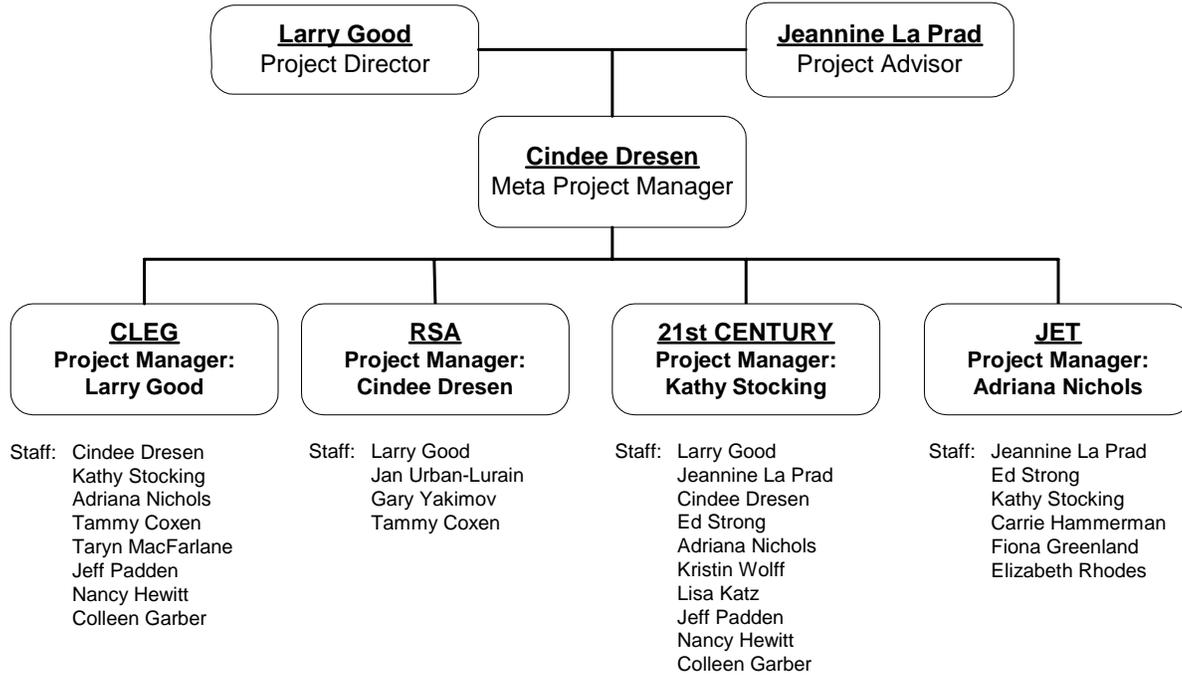
- Michigan Regional Skills Alliances, including learning networks, staff capacity building and development of various related written documents: **\$225,000.00**
- The Council for Labor & Economic Growth, including research, analysis, and policy development for its committees, staff capacity building, design and facilitation of meetings: **\$100,000.00**
- The Creating the 21st Century Workforce Initiative, including meeting facilitation and staff capacity building: **\$425,000.00**
- The Jobs, Education and Training (JET) program, specifically proposal/resource development, evaluation, information technology, communications, and Temporary Assistance for Needy Families (TANF) work participation requirements: **\$175,000.00**

Total one-year Contract Amount: \$925,000.00



Article 1, Attachment B

Organizational Chart, including Key Personnel





Article 1, Attachment C, D, E & F – Reserved



Article 2 – General Terms and Conditions

2.010 Contract Structure and Administration

2.011 Definitions

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

- (a) “Days” means calendar days unless otherwise specified.
- (b) “24x7x365” means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
- (c) “Additional Service” means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration. “Additional Service” does not include New Work.
- (d) “Amendment Labor Rates” means the schedule of fully-loaded hourly labor rates.
- (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 ("DMB-PO") and the Department of Labor and Economic Growth (collectively, including all other relevant State of Michigan departments and agencies, the "State"). DMB-PO is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. **DMB-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 Purchasing Operations for this Contract is:

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

2.015 Contract Compliance Inspector

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

Ms. Diana Carpenter, Manager
Department of Labor and Economic Growth
201 N. Washington Sq., 5th Floor
Lansing, Michigan 48913
Email: carpenterd2@michigan.gov
Phone: (517) 335-5858
Cell: (517) 243-2684
Fax: (517) 335-5945

2.016 Project Manager

The following individual will oversee the project:

Name: Ms. Diana Carpenter, Manager
Department of Labor and Economic Growth
Address: 201 N. Washington Sq., 5th Floor
City: Lansing
State & Zip: Michigan 48913
Email: carpenterd2@michigan.gov
Phone: (517) 335-5858
Cell: (517) 243-2684
Fax: (517) 335-5945



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 one (1) year with the option of two (2) one-year extensions commencing March 7, 2007 through March 6, 2008. 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. **Article 1, Attachment B** provides an organization chart showing the roles of certain Key Personnel, if any.
- (ii) Key Personnel shall be dedicated as defined in **Article 1, Attachment B** to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.
- (iii) The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. Additionally, the State's request shall be based on legitimate, good-faith reasons. Proposed alternative for the individual denied, shall be fully qualified for the position.
- (iv) Contractor shall not remove any Key Personnel from their assigned roles or the Contract without the prior written consent of the State. If the Contractor does remove Key Personnel without the prior written consent of the State, it shall be considered an unauthorized removal ("Unauthorized Removal"). It shall not be considered an Unauthorized Removal if Key Personnel must be replaced for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. It shall not be considered an Unauthorized Removal if Key Personnel must be replaced because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 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) Reserved.
- (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 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, Contractor personnel may be assigned office space to be shared with State personnel.

2.042 Contractor Identification

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

2.043 Cooperation with Third Parties

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

2.044 Subcontracting by Contractor

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

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

(c) In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor.



The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract. Attached is a list of the Subcontractors, if any, approved by the State as of the execution of this Contract, together with a copy of the applicable subcontract.

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

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

2.045 Contractor Responsibility for Personnel

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

2.050 State Standards

2.051 Existing Technology Standards

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

2.052 PM Methodology Standards - Reserved

2.053 Adherence to Portal Technology Tools - Reserved

2.054 Acceptable Use Policy

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

2.060 Deliverables

2.061 Ordering

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

2.062 Software - Reserved

2.063 Hardware - Reserved

2.064 Equipment to be New and Prohibited Products- Reserved

2.070 Performance**2.071 Performance, In General**

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

2.072 Time of Performance

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

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

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

2.073 Liquidated Damages - Reserved**2.074 Bankruptcy**

If Contractor shall file for protection under the bankruptcy laws, or if an involuntary petition shall be filed against Contractor and not removed within 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 - Reserved**2.076 Service Level Agreements (SLAs) - Reserved**2.080 Delivery and Acceptance of Deliverables**2.081 Delivery Responsibilities - Reserved**

**2.082 Delivery of Deliverables**

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

2.083 Testing - Reserved**2.084 Approval of Deliverables, In General**

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

2.087 Process for Approval of Physical Deliverables

The State Review Period for approval of Physical Deliverables is governed by the applicable Statement of Work (failing which the State Review Period, by default, shall be 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.



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 specified in the Contract, 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 the Contract.

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. 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 the Project Plan is likely to delay the timely achievement of any Contract tasks.

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

2.102 Problem and Contract Management Procedures

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

2.103 Reports and Meetings – Reserved

2.104 System Changes

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, Purchasing Operations.



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

2.107 Management Tools - Reserved

2.110 Records and Inspections

2.111 Records and Inspections

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

2.112 Errors

- (a) If the audit demonstrates any errors in the statements provided to the State, then the amount in error shall be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four (4) quarterly statements. If a balance remains after four (4) quarterly statements, then the remaining amount will be due as a payment or refund within 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 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 10 days of becoming aware of such use or disclosure or such shorter time period as is reasonable under the circumstances.

2.158 Survival

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

2.159 Destruction of Confidential Information

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

2.160 Proprietary Rights**2.161 Ownership**

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

Vesting of Rights. With the sole exception of any preexisting licensed works identified in the Contract, 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.

2.162 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 – Reserved**2.165 Standard Software – Reserved****2.166 Pre-existing Materials for Custom Software Deliverables – Reserved****2.167 General Skills - Reserved**

2.170 Warranties And Representations**2.171 Warranties and Representations**

The Contractor represents and warrants:

- (a) It is capable in all respects of fulfilling and shall fulfill all of its obligations under this Contract. The performance of all obligations under this Contract shall be provided in a timely, professional, and workman-like manner and shall meet the performance and operational standards required under this Contract.
- (b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.
- (c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under this Contract, nor their use by the State, will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
- (d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to such items in this Contract, Contractor shall assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
- (e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (f) It is qualified and registered to transact business in all locations where required.
- (g) Neither the Contractor nor any Affiliates, nor any employee of either, has, shall have, or shall acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor shall notify the State within two (2) days of any such interest that may be incompatible with the interests of the State.
- (h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or shall accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor shall not attempt to influence any State employee by the direct or indirect offer of anything of value.
- (i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or such Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.
- (j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.
- (k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by such financial statements, reports, other information. Since the respective dates or periods covered by such financial statements, reports, or other information, there have been no material adverse change in the business, properties, financial condition, or results of operations of Contractor.



(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

2.175 Standard Warranties- Reserved

2.176 Consequences For Breach

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

2.180 Insurance

2.181 Liability Insurance

(a) Liability Insurance

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether such services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain pursuant to this Contract.

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

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

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

See http://www.mi.gov/cis/0,1607,7-154-10555_22535---,00.html.

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



Before the Contract is signed by both parties or before the purchase order is issued by the State, the Contractor must furnish to the Director of Purchasing Operations, certificate(s) of insurance verifying insurance coverage ("Certificates"). The Certificate must be on the standard "accord" form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) shall contain a provision indicating that coverages afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without 30 days prior written notice, except for 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 Purchasing Operations certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor shall provide evidence that the State and its agents, officers and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

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

2.190 Indemnification

2.191 Indemnification

(a) General Indemnification

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

(b) Code Indemnification

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



(c) Employee Indemnification

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

(d) Patent/Copyright Infringement Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Notwithstanding the foregoing, the Contractor shall have no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; or (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contract.

2.192 Continuation of Indemnification Obligations

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

2.193 Indemnification Procedures

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

(a) After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Contractor of such claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify Contractor shall relieve Contractor of its indemnification obligations except to the extent that Contractor can demonstrate damages attributable to such failure. 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 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. 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.



If 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 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, workarounds 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. 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 Reserved

2.250 Dispute Resolution

2.251 In General

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

2.252 Informal Dispute Resolution

- (a) All operational disputes between the parties shall be resolved under the Contract Management procedures developed pursuant to **Section 2.100**. If the parties are unable to resolve any disputes after compliance with such processes, the parties shall meet with the Director of Purchasing Operations, DMB, or designee, for the purpose of attempting to resolve such dispute without the need for formal legal proceedings, as follows:
- (i) The representatives of Contractor and the State shall meet as often as the parties reasonably deem necessary in order to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
 - (ii) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract will be honored in order that each of the parties may be fully advised of the other's position.
 - (iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
 - (iv) Following the completion of this process within 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 thirty (30) days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated as such. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.



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

- (i) the ability of Contractor (or a Subcontractor hereunder) to continue to perform this Contract in accordance with its terms and conditions, or
- (ii) whether Contractor (or a Subcontractor hereunder) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in such Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then Contractor shall be required to provide the State all reasonable assurances requested by the State to demonstrate that:
 - (A) Contractor and/or its Subcontractors hereunder will be able to continue to perform this Contract and any Statements of Work in accordance with its terms and conditions, and
 - (B) Contractor and/or its Subcontractors hereunder have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in such Proceeding.

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

- (1) Within 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 Purchasing Operations.
- (2) Contractor shall also notify 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 conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.280 Environmental Provision- Reserved

2.290 General

2.291 Amendments

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

**2.292 Assignment**

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

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

2.293 Entire Contract; Order of Precedence

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

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

2.294 Headings

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

2.295 Relationship of the Parties (Independent Contractor Relationship)

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

2.296 Notices

(a) Any notice given to a party under the Contract shall be deemed effective, if addressed to such party as addressed below, upon: (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this Section; (iii) the third (3rd) Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

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



with a copy to:

State of Michigan
Department of Labor and Economic Growth
Attention: Ms. Diana Carpenter, Manager
201 N. Washington Sq. 5th Floor
Lansing, Michigan 48913

Contractor:

Corporation for a Skilled Workforce
Attention: Jeannine La Prad
900 Victors Way, Suite 350
Ann Arbor, MI 48108

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

(b) Binding Commitments

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

2.297 Media Releases and Contract Distribution

(a) Media Releases

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

(b) Contract Distribution

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

2.298 Reformation and Severability

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

2.299 Consents and Approvals

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

2.300 No Waiver of Default

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

2.301 Survival

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

**2.302 Covenant of Good Faith**

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

2.303 Permits

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

2.304 Website Incorporation

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

2.305 Taxes

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

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

2.306 Prevailing Wage – Reserved**2.307 Call Center Disclosure – Reserved****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 bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the 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>