

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

July 10, 2008

CHANGE NOTICE NO. 6
TO
CONTRACT NO. 071B8000239
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Delta Dental of Michigan Attn: Charles Floyd 4100 Okemos Road Okemos, MI 48864	TELEPHONE Charles Floyd (517) 347-3400
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1916 Jim Wilson
NIGP #918-78 Contract Compliance Inspector: Brian McClane Dental Administration - Department of Management & Budget/MPERS	
CONTRACT PERIOD: 5 yrs From: January 1, 1998 To: August 31, 2008	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE:

Effective immediately, this Contract is hereby EXTENDED to August 31, 2008. NOTE: All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per agency request, Ad Board approval on 7/1/2008, and DMB/Purchasing Operations' approval.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$13,190,940.00

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

February 8, 2008

CHANGE NOTICE NO. 5
TO
CONTRACT NO. 071B8000239
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Delta Dental of Michigan Attn: Charles Floyd 4100 Okemos Road Okemos, MI 48864	TELEPHONE Charles Floyd (517) 347-3400
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1916 Jim Wilson
NIGP #918-78 Contract Compliance Inspector: Brian McClane Dental Administration - Department of Management & Budget/MPSERS	
CONTRACT PERIOD: 5 yrs From: January 1, 1998 To: June 30, 2008	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE:

Effective immediately, this Contract is hereby EXTENDED to June 30, 2008.
 NOTE: The Buyer for this Contract is CHANGED to Jim Wilson (517) 241-1916.
 All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per agency request (PRF dated 12/12/07) and DMB/Purchasing Operations' approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$13,190,940.00

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

June 29, 2004

CHANGE NOTICE NO. 4
TO
CONTRACT NO. 071B8000239
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Delta Dental of Michigan Attn: Charles Floyd 4100 Okemos Road Okemos, MI 48864	TELEPHONE Charles Floyd (517) 347-3400
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1647 Irene Pena
NIGP #918-78 Contract Compliance Inspector: Ben Louagie Dental Administration - Department of Management & Budget/MPERS	
CONTRACT PERIOD: 5 yrs From: January 1, 1998 To: December 31, 2007	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE:

Effective July 1, 2004, the attached **CHANGES** are hereby incorporated into this contract.

AUTHORITY/REASON:

Per agency contact (Ben Louagie) dated 5/27/04 and DMB/Acquisition Services.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$13,190,940.00

Effective July 1, 2004:

Summary of the enhancements:

Adopt the DeltaUSA national network

The DeltaUSA program is a nationwide program that offers the Retirement System with a national dental network, rather than just the current Michigan network.

Adopt the DeltaPreferred national network

DeltaPreferred is a preferred provider network (PPO). With this change, members will see lower out-of-pocket costs and the Retirement System will realize lower claims costs. This is accomplished by Delta Dental's lower fee schedule to member dentists.

Provided that the networks continue to provide savings Delta's administrative rates for the next four years are as follows:

DPO Administration Portion
2004 \$0.35 Per Member Per Month
2005 \$0.38 Per Member Per Month
2006 \$0.43 Per Member Per Month
2007 \$0.48 Per Member Per Month

Adjusted Rate
2004 \$2.69 Per Member Per Month
2005 \$2.78 Per Member Per Month
2006 \$2.88 Per Member Per Month
2007 \$2.98 Per Member Per Month

In addition to the adjustment in the rates the following performance guarantee will be added to the contract

Delta Dental Plan of Michigan (DDPMI) is willing to guarantee that the Michigan Public School Employees Retirement System's Dental Plan will save at least 7.1 percent over paid claims on claims payments that would have been made had the DeltaPreferred Option (DPO) program not been implemented. These savings will be documented through periodic reporting by Delta Dental. The guarantee will be measured on an annual basis, beginning with the 2005 contract year. For each 10% increment below target, the following penalty will apply:

Goal	Penalty
7.1%	NA
6.4%	10% of the annual DPO Administration amount
5.75%	20% of the annual DPO Administration amount
5.18%	30% of the annual DPO Administration amount
4.66%	40% of the annual DPO Administration amount
4.19%	50% of the annual DPO Administration amount
3.77%	60% of the annual DPO Administration amount
3.39%	70% of the annual DPO Administration amount

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

October 16, 2002

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B8000239
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE Charles Floyd (517) 347-3400
Delta Dental of Michigan Attn: Charles Floyd 4100 Okemos Road Okemos, MI 48864		VENDOR NUMBER/MAIL CODE
		BUYER (517) 241-1647 Irene Pena
NIGP #918-78 Dental Administration - Department of Management & Budget/MPERS		
CONTRACT PERIOD: 5 yrs		From: January 1, 1998 To: December 31, 2007
TERMS	N/A	SHIPMENT N/A
F.O.B.	N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE:

Listed below are the Administrative Rates for the next five years:

- 2003 - \$2.26 per member per month**
- 2004 - \$2.34 Per member per month**
- 2005 - \$2.40 per member per month**
- 2006 - \$2.45 per member per month**
- 2007 - \$2.50 per member per month**

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$13,190,940.00

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

July 11, 2002

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B8000239
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Delta Dental of Michigan Attn: Charles Floyd 4100 Okemos Road Okemos, MI 48864	TELEPHONE Charles Floyd (517) 347-3400
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 241-1647 Irene Pena
NIGP #918-78 Dental Administration - Department of Management & Budget/MPERS	
CONTRACT PERIOD: 5 yrs From: January 1, 1998 To: December 31, 2007	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE:

Effective July 11, 2002, this contract is EXTENDED for five years. The new contract ending date is December 31, 2007. All other specifications, terms, conditions, and pricing remain the same.

AUTHORITY/REASON:

Per agency's request from Ben Louagie and DMB/OOP and in accordance with the modification clause

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$13,190,940.00

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

February 21, 2001

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B8000239
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Delta Dental of Michigan Attn: Charles Floyd 4100 Okemos Road Okemos, MI 48864	TELEPHONE Charles Floyd (517) 347-3400
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 241-1647 Irene Pena
NIGP #918-78 Dental Administration - Department of Management & Budget/MPERS	
CONTRACT PERIOD: 5 yrs From: January 1, 1998 To: December 31, 2002	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE:

Please note that the buyer of this contract is now Irene Pena.

AUTHORITY/REASON:

DMB/OOP

TOTAL ESTIMATED VALUE OF 5 YEAR CONTRACT REMAINS: \$13,190,940.00

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

December 11, 1997

**NOTICE
 TO
 CONTRACT NO. 071B8000239
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Delta Dental of Michigan Attn: Charles Floyd 4100 Okemos Road Okemos, MI 48864		TELEPHONE Charles Floyd (517) 347-3400
		VENDOR NUMBER/MAIL CODE
		BUYER (517) 241-1218 Chris Fuller
NIGP #918-78 Dental Administration - Department of Management & Budget/MPERS		
CONTRACT PERIOD: 5 yrs From: January 1, 1998 To: December 31, 2002		
TERMS N/A	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

The terms and conditions of this Contract are those of ITB #07117001064, this Contract Agreement and the vendor's quote dated 9-10-97. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

Total Estimated Value of 5 year contract: \$13,190,940.00

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CONTRACT #071B8000239
DEFINITION OF TERMS

TERMS	DEFINITIONS
BLANKET PURCHASE ORDER (BPO)	Binding Agreement Entered Into By The State Of Michigan And A Particular Vendor; Also "Blanket Purchase Order (BPO)."
CONTRACTOR	The Successful Bidder Who Is Awarded A CONTRACT.
DMB	Michigan Department Of Management And Budget
RFP	Request For Proposal - A Term Used By The State To Solicit Proposals For Services Such As Consulting. Typically Used When The Requesting Agency Requires Vendor Assistance In Identifying An Acceptable Manner Of Solving A Problem.
ITB	Invitation To Bid - A Generic Form Used By The Office Of Purchasing To Solicit Quotations For Services Or Commodities. The ITB Serves As The Document For Transmitting The RFP To Interested Potential Bidders.
SUCCESSFUL BIDDER	The Bidder(s) Awarded A Contract As A Result Of The Solicitation.
STATE	The State Of Michigan

SECTION I
CONTRACTUAL SERVICES TERMS & CONDITIONS

I-A TERM OF CONTRACT

The State of Michigan is not liable for any cost incurred by any bidder prior to signing of this Contract by all parties. The activities in this Contract cover the period January 1, 1998 through December 31, 2002. The State fiscal year is October 1st through September 30th. The Contractor should realize that payments in any given fiscal year are contingent upon enactment of legislative appropriations.

I-B COST LIABILITY

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

I-C PRIME CONTRACTOR RESPONSIBILITIES

The Prime Contractor will be required to assume responsibility for all contractual activities offered in this proposal whether or not that Contractor performs them. Further, the State will consider the Prime Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Contract. If any part of the work is to be subcontracted, responses to this RFP should include a list of subcontractors, including firm name and address, contact person, complete description of work to be subcontracted, and descriptive information concerning subcontractor's organizational abilities. The State reserves the right to approve subcontractors for this project and to require the Primary Contractor to replace subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the subcontractor to all provisions of the Contract.

I-D NEWS RELEASES

News releases pertaining to this document or the services, study, data, or project to which it relates will not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the program are to be released without prior approval of the State and then only to persons designated.

I-E CONFIDENTIALITY

The Contractor will be bound by the same standards of confidentiality as the State employees. Contractor may not release any products or portions of products resulting from the Contract without approval of the Contract Administrator.

I-F DISCLOSURE

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

I-G ACCOUNTING RECORDS

The Contractor will be required to maintain all pertinent financial and accounting records and evidence pertaining to the Contract in accordance with generally accepted principles of accounting and other procedures specified by the State of Michigan. Financial and accounting records shall be made available, upon request, to the State of Michigan, its designees, or the Michigan Department of Auditor General at any time during the Contract period and any extension thereof, and for three (3) years from the expiration date and final payment on the Contract or extension thereof.

I-H INDEMNIFICATION

1. General Indemnification

The Contractor shall indemnify, defend and hold harmless the State, its departments, divisions, agencies, sections commissions, officers, employees and agents, from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:

- (a) any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from (1) the product provided or (2) performance of the work, duties, responsibilities, actions or omissions of the Contractor or any of its subcontractors under this Contract;
- (b) any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from a breach by the Contractor of any representation or warranty made by the Contractor in the Contract;
- (c) any claim, demand, action citation, or legal proceeding against the State, its employees and agents arising out of or related to occurrences that the Contractor is required to insure against as provided for in this Contract;
- (d) any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Contractor, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused solely by the negligence or reckless or intentional wrongful conduct of the State;
- (e) any claim, demand, action, citation or legal proceeding against the State, its employees and agents which results from an act or omission of the Contractor or any of its subcontractors in its or their capacity as an employer of a person.

2. Patent/Copyright Infringement Indemnification

The Contractor shall indemnify, defend and hold harmless the State, its departments, division, agencies, sections, commissions, officers, employees and agents from and against all loses, liabilities, penalties, fines, damages (including taxes), and all related costs and expenses (including reasonable attorney's fees and disbursements, costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States. In addition, should the equipment, software, commodity, or service, or the operation thereof, become or in the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

3. Indemnification Obligation Not Limited

In any and all claims against the State Of Michigan, or any of 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 benefits acts, or other employee benefits acts. This indemnification clause is intended to be comprehensive. Any overlap in subclauses, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other subclause.

4. Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and effect notwithstanding the expiration or early termination of the Contract with respect to any claims based on facts or conditions which occurred prior to termination.

I-I CONTRACTOR'S LIABILITY INSURANCE

The Contractor shall purchase and maintain such insurance as will protect him/her from claims set forth below which may arise out of or result from the Contractor's operations under the Contract (Purchase Order), whether such operations be by himself/herself or by any subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

CONTRACT #071B8000239

- (1) Claims under workers' disability compensation, disability benefit and other similar employee benefit act. A non-resident Contractor shall have insurance for benefits payable under Michigan's Workers' Disability Compensation Law for any employee resident of and hired in Michigan; and as respects any other employee protected by workers' disability compensation laws of any other State the Contractor shall have insurance or participate in a mandatory State fund to cover the benefits payable to any such employee.**
- (2) Claims for damages because of bodily injury, occupational sickness or disease, or death of his/her employees.**
- (3) Claims for damages because of bodily injury, sickness or disease, or death of any person other than his/her employees, subject to limits of liability of not less than \$300,000 each occurrence and, when applicable \$300,000 annual aggregate, for non-automobile hazards and as required by law for automobile hazards.**
- (4) Claims for damages because of injury to or destruction of tangible property, including loss of use resulting therefrom, subject to a limit of liability of not less than \$50,000 each occurrence for non-automobile hazards and as required by law for automobile hazards.**
- (5) Insurance for Subparagraphs (3) and (4) non-automobile hazards on a combined single limit of liability basis shall not be less than \$300,000 each occurrence and when applicable, \$300,000 annual aggregate.**

The insurance shall be written for not less than any limits of liability herein specified or required by law, whichever is greater, and shall include contractual liability insurance as applicable to the Contractor's obligations under the Indemnification clause of the Contract (Purchase Order).

BEFORE STARTING WORK THE CONTRACTOR'S INSURANCE AGENCY MUST FURNISH TO THE DIRECTOR OF THE OFFICE OF PURCHASING, ORIGINAL CERTIFICATE(S) OF INSURANCE VERIFYING LIABILITY COVERAGE. THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING. These Certificates shall contain a provision that coverage's afforded under the policies will not be canceled until at least fifteen days prior written notice bearing the Contract Number or Purchase Order Number has been given to the Director of Purchasing.

I-J LITIGATION

The State, its departments, and its agents shall not be responsible for representing or defending the Contractor, Contractor's personnel, or any other employee, agent, or subcontractor of the Contractor, named as a defendant in any lawsuit or in connection with any tort claim.

The State and the Contractor agree to make all reasonable efforts to cooperate with each other in the defense of any litigation brought by any person or persons not a party to the Contract.

The Contractor shall report and provide the following detail for all civil litigation in which the Contractor or the Contractor's insurers or insurance agent are parties:

Case number and docket number
name of plaintiff(s) and defendant(s)
names and addresses of all counsel appearing
nature of claim
status of case

The provisions of this section shall survive the expiration or termination of the Contract.

I-K **CANCELLATION**

- (a) The State may cancel the Contract for default of the Contractor. Default is defined as the failure of the Contractor to fulfill the obligations of the quotation or Contract. In case of default by the Contractor, the State may immediately and/or upon 30 days prior written notice to the Contractor cancel the Contract without further liability to the State, its departments, divisions, agencies, sections, commissions, officers, agents and employees, and procure the services from other sources, and hold the Contractor responsible for any excess costs occasioned thereby.
- (b) The State may cancel the Contract in the event the State no longer needs the services or products specified in the Contract, or in the event program changes, changes in laws, rules or regulations, relocation of offices occur, or the State determines that statewide implementation of the Contract is not feasible, or if prices for additional services requested by the State are not acceptable to the State. The State may cancel the Contract without further liability to the State, its departments, divisions, agencies, sections, commissions, officers, agents and employees by giving the Contractor written notice of such cancellation 30 days prior to the date of cancellation.
- (c) The State may cancel the Contract for lack of funding. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation of funds for this project. 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 without penalty at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to the Contractor. The State shall give the Contractor written notice of such non-appropriation within 30 days after it receives notice of such non-appropriation.
- (d) The State may immediately cancel the Contract without further liability to the State its departments, divisions, agencies, sections, commissions, officers, agents and employees if the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects on the Contractor's business integrity.
- (e) The State may immediately cancel the Contract in whole or in part by giving notice of termination to the Contractor if any final administrative or judicial decision or

CONTRACT #071B8000239

adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, Section 5, and Civil Service Rule 4-6.

- (f) The State may, with 30 days written notice to the Contractor, cancel the Contract in the event prices proposed for Contract modification/extension are unacceptable to the State. See Sections II-G, Price Proposal, I-P, Modification of Service, and I-R, Revisions, Consents, and Approvals.

I-L ASSIGNMENT

The Contractor shall not have the right to assign this Contract or to assign or delegate any of its duties or obligations under this Contract to any other party (whether by operation of law or otherwise), without the prior written consent of the State. Any purported assignment in violation of this Section shall be null and void. Further, the Contractor may not assign the right to receive money due under the Contract without the prior written consent of the State Purchasing Director.

I-M DELEGATION

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

I-N NON-DISCRIMINATION CLAUSE

In the performance of any Contract or purchase order resulting herefrom, the bidder agrees not to discriminate against any employee or applicant for employment, with respect to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental handicap or disability. The bidder further agrees that every subcontract entered into for the performance of any Contract or purchase order resulting herefrom will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2201, *et seq*, and the Michigan Handicapper's Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, *et seq*, and any breach thereof may be regarded as a material breach of the Contract or purchase order.

I-O MODIFICATIONS, CONSENTS, AND APPROVALS

The Director of Purchasing reserves the right to modify this service during the course of this Contract. Such modification may include adding or deleting tasks which this service shall encompass and/or any other modifications deemed necessary. Any changes in pricing proposed by the Contractor resulting from the requested changes are subject to acceptance by the State. Changes may be increases or decreases.

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

CONTRACT #071B8000239

This Contract may not be revised, modified, amended, extended, or augmented, except by a writing executed by the parties hereto, and any breach or default by a party shall not be waived or released other than in writing signed by the other party.

I-P ENTIRE AGREEMENT AND ORDER OF PRECEDENCE

The following documents constitute the complete and exclusive agreement between the parties as it relates to this transaction: In the event of any conflict among the documents making up the Contract, the following order of precedence shall apply (in descending order of precedence):

- A. This Contract
- B. State's RFP and any Addenda thereto
- C. Contractor's response(s) to the State's RFP and Addenda

In the event of any conflicts between the specifications, terms, and conditions indicated by the State and those indicated by the Contractor, those of the State take precedence.

This Contract supersedes all proposals or other prior agreements, oral or written, and all other communications between the parties relating to this subject.

I-Q NO WAIVER OF DEFAULT

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

I-R SEVERABILITY

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

I-S HEADINGS

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

I-T RELATIONSHIP OF THE PARTIES (INDEPENDENT CONTRACTOR)

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

I-U NOTICES

Any notice given to a party under this Contract must be written and shall be deemed effective, if addressed to such party as addressed below upon (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by telefacsimile if a copy of the notice

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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.

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

I-V UNFAIR LABOR PRACTICES

Pursuant to 1980 Public Act 278, as amended, MCL 423.231, et seq, the State shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to Section 2 of the Act. This information is compiled by the United States National Labor Relations Board. Information concerning employees who are listed on the register may be obtained from the Michigan Bureau of Employment Relations at (313) 226-3200.

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

I-W SURVIVOR

Any provisions of the Contract that impose continuing obligations on the parties including, but not limited to the Contractor's indemnity and other obligations shall survive the expiration or cancellation of this Contract for any reason.

I-X GOVERNING LAW

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

I-Y YEAR 2000 SOFTWARE COMPLIANCE

The vendor warrants that all software which the vendor either sells or licenses to the State of Michigan and used by the State prior to, during or after the calendar year 2000, includes or shall include, at no added cost to the State, design and performance so the State shall not experience software abnormality and/or the generation of incorrect results from the software, due to date oriented processing, in the operation of the business of the State of Michigan.

The software design, to insure year 2000 compatibility, shall include, but is not limited to: data structures (databases, data files, etc.) that provide 4-digit date century; stored data that contain date century recognition, including, but not limited to, data stores in databases and hardware device internal system dates; calculations and program logic (e.g., sort algorithms, calendar generation, event recognition, and all processing actions that use or produce date values) that accommodates same century and multi-century formulas and date values; interfaces that supply data to and receive data from other systems or organizations that prevent non-compliant dates and data from entering any State system; user interfaces (i.e., screens, reports, etc.) that accurately show 4 digit years; and assurance that the year 2000 shall be correctly treated as a leap year within all calculation and calendar logic.

SECTION II
WORK STATEMENT

II-A PURPOSE

The purpose of this Contract is for the services of a contractor who will be responsible for claim processing and administration with respect to the Retiree Dental Care Plan (Plan) of the Michigan Public School Employees Retirement System (MPERS).

Contract will be the following type:

Unit price Contract

II-B ISSUING OFFICE

This Contract is issued by the State of Michigan, Department of Management and Budget (DMB), Office of Purchasing, hereafter known as the Office of Purchasing, for the State of Michigan, Department of Management and Budget, Michigan Public School Employees Retirement System, hereinafter known as MPERS. Where actions are a combination of those of the Office of Purchasing and MPERS. Where actions are a combination of those of the Office of Purchasing and MPERS, the authority will be known as the State.

The Office of Purchasing is the sole point of contact in the State with regard to all procurement and contractual matters relating to this services described herein. The Office of Purchasing is the only office authorized to change, modify, amend, alter, clarify, etc., the prices, specifications, terms, and conditions of this Contract. All communications concerning the Contractual matters must be addressed to:

Mr. Christian Fuller
Professional & Management Services Division
Office of Purchasing, Department of Management & Budget
P.O. Box 30026
Lansing, MI 48909

II-C CONTRACT ADMINISTRATOR

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

Mr. Phillip Stoddard
Department of Management and Budget
Michigan Public School Employees Retirement System
P.O. Box 30673
Lansing, MI 48909-8103

II-D CONTRACT PAYMENT SCHEDULE

The specific payment schedule for this Contract will be mutually agreed upon by the State and the Contractor(s). The schedule should show payment amount and should reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy statements shall be forwarded to the designated representative by the 15th day of the following month.

II-E PRICE PROPOSAL

1. LENGTH OF TIME PRICES ARE TO BE HELD FIRM

All rates quoted will be firm for the duration of the Contract. No price changes will be permitted, however the rates quoted for each contract year may be higher or lower than the rates quoted for the preceding year. That is, bidders may quote different firm rates for each of the five years of the contract.

II-F GROUND/PROBLEM STATEMENT

The Plan became effective on January 1, 1990. Since July 1, 1991, it has been administered by Delta Dental Plan on a self-assured basis. The current contract has been extended to December 31, 1997. As of January 1, 1997, there were 91,862 contracts (families covering approximately 143,052 individuals, including dependents).

MPSERS is seeking a qualified organization to provide claim processing and administrative services for the Plan effective January 1, 1998. The contract will be for a five-year period commencing on January 1, 1998 and ending December 31, 2002. Firm prices are to be quoted for each of the five years. The price quoted for each year must be firm for the period from January 1 of that year through December 31 of that year. Prices are to be quoted as a flat monthly fee per enrolled retiree or surviving beneficiary (i.e., per family) for all services specified by this RFP.

Bidders must submit bids on their behalf. Bids by agents, brokers, sales organizations, service organizations and any other parties who are not principals will not be accepted.

II-G OBJECTIVES

The following are the primary objectives of MPSERS in letting this contract:

1. To have benefits administrated in accordance with the Plan.
2. To have valid claims paid on accurate and timely basis.
3. To obtain on a timely basis, accurate financial and utilization data with respect to the Plan's operations.
4. To have prompt, courteous service rendered to inquiring participants.
5. To have the MPSERS account manager professionally and effectively by the vendor.
6. To achieve the lowest costs on consistent with objectives 1 through 5.

II-H TASKS

1. Capability and Qualifications

MPSERS requires that the contractor shall have a reputation in the industry for good character and judgment. The Contractor must be financially stable and have demonstrated a commitment to the dental care administration business. The contractor must substantial experience with accounts similar in size and characteristics to MPSERS. The contractor must maintain an experienced staff capable of providing efficient, high-quality service to participants and MPSERS at all times and under all circumstances.

a. Experience

The contractor must have as current clients at least one dental care administration account having at least 40,000 covered participants and at least three additional dental care accounts having at least 20,000 covered participants.

b. Capacity

The contractor must, as of the date of its proposal, be actively administering group dental care coverage for at least 500,000 primary covered individuals.

c. Commitment

The contractor or its antecedents must, as of the date of its proposal, have been actively engaged in the business of administering dental care plans for at least seven years.

2. Eligibility and Enrollment

MPSERS will provide a magnetic tape containing all necessary information with respect to current enrollees as of December 1, 1997. Thereafter, MPSERS will provide a tape or other electronic medium containing additions, changes and deletions to the contractor, at least once a month, according to mutually agreeable procedure.

a. Information and Solicitation Materials

The contractor must:

- (i) prepare and print at its own expense 95,000 plan description brochures and claim kits for transitioning enrollees, 6,500 brochures and claim kits for enrollments during the year and 20,000 brochures for prospective retirees. The materials must display MPSERS' logo and must be printed in large type for readability. These materials must be available by 12/15/97.
- (ii) prepare and print at its own expense 6600 brochures and claim kits for enrollments during the second year. Requirements for subsequent years will increase by about 5 percent per year. Materials are due April 1 of each year.

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(iii) mail brochures, claim kits and identification cards at its own expense to all enrollees as of the effective date of the commencement of its administration and to new participants as part of the enrollment process.

(iv) prepare and bear the cost of all announcements, letters, notices, forms, postage and other supplies and services for the administration of the plan.

All announcements, form letters, notices and brochures must be prior approved by MPSERS. MPSERS will supply enrollment materials to all eligible retirees and process applications.

b. Customer Service

The Contractor will be required to provide speakers at retiree meetings coordinated or planned by MPSERS, or approved by MPSERS. Meeting requests may vary from year to year but will average 12 to 15 annually with the possibility of up to five of such meetings being out-of-state. The Contractor will share all expenses of the meetings equally with the Vision Plan and Master Health Care Plan contractors. In addition, the Contractor may be required to prepare articles on subjects relevant to dental issues for publication in a newsletter for retirees up to 6 times each contract year.

c. Exception Reports

The Contractor must produce a monthly exception report to identify discrepancies between monthly data submitted by MPSERS and data contained in its complete eligibility file. The Contractor must provide the name and telephone number of a qualified individual who will resolve discrepancies.

d. Identification Cards

The Contractor must provide a MPSERS-specific identification card for each enrollee and adult dependent.

e. Eligibility System

The Contractor must maintain an on-line eligibility system which is interfaced with its claim processing system. The system must be updated at least monthly and must include covered dependents by name. The Contractor will provide and maintain on MPSERS' premises a functional computer terminal for access by MPSERS to MPSERS' eligibility and claim data.

3. Financial Arrangements and Reporting

It is anticipated that the Contractor will establish an account with the State's bank, currently the *National Bank of Detroit (NBD)*. Details will be worked out later, but it is anticipated that the Contractor can either use NBD as a conduit or actually write checks from the account. MPSERS anticipates that if a funds transfer request is received at MPSERS by 1:00 p.m., the transfer can be completed by 8:00 a.m. the following morning. This can be done on a daily basis or less often if appropriate. The Contractor must establish an electronic mail link with MPSERS for purposes of communicating transfer requests. Other financial arrangements may be agreed upon by the Contractor and MPSERS.

a. **Security**

The Contractor shall have and maintain in place a system of financial controls and electronic data processing security to ensure the integrity of the MPSERS account and the data used to establish MPSERS' financial obligations.

b. **Requests for Funds**

Upon requesting a wire transfer for cleared drafts, the Contractor must transmit electronically to an official designated by the State a statement, signed by an officer of the Contractor, certifying that the request accurately states the financial obligations of MPSERS for cleared drafts for the period in question.

c. **Documentation**

Not later than twenty-five (25) days following the end of each month, the Contractor must provide in hard copy and on magnetic tape, in a format to be agreed upon between the parties, a claim detail report listing each claim processed during the preceding month. The claim detail report must be reconciled with the wire transfer requests for the identical period. The reconciliation must be evidenced by a detailed reconciliation report.

d. **Annual Report**

Not more than ninety (90) days after the end of each contract year, the Contractor must provide, in a format to be agreed upon between the parties, a complete financial summary of the prior contract year. The report must be available in both hard copy and on magnetic tape. In addition, the Contractor must provide such of its standard financial and statistical reports as may be requested by MPSERS.

e. **Payment**

MPSERS will make payments monthly for administrative service fees based on the number of enrolled retirees and surviving beneficiaries shown on MPSERS' monthly payroll who have coverage.

f. **Government Forms**

The Contractor must prepare Internal Revenue Service Form 1099 with respect to providers, and such other federal and state forms as may be required to be filed on behalf of MPSERS.

g. **Special Reports**

The Contractor must provide to MPSERS at least semi-annually a report documenting its activities and results in administering the COB provisions of the Plan. The report shall include at least the number of claims during the period for which other coverage was reported, the number of claims for which other coverage was not reported but was identified upon investigation and the dollar amount and percentage of total claim dollars saved as a result of COB administration.

h. Legal Activity

In the event the Plan or the State is sued or threatened with legal action as a result of the administration of the Plan, the Contractor must cooperate with counsel for the Plan or the State and must agree to act as an expert witness if so requested.

i. Timing of Fee Payments

It is anticipated that MPSERS will make payment of the contractor's administrative fees two business days after the end of the month to which the fees apply. The Contractor must agree to accept such fees in full payment of MPSERS' obligation without imposition of penalties or "late charges."

4. Claim Administration

a. Claim Adjudication and Payment

The Contractor must administer claims in conformity with the Retiree Dental Care Plan. Provisions of the Plan are set forth in Appendix A. The Contractor must issue payment to both participants and providers on a timely and accurate basis.

b. Claims System

Claim processing by the Contractor must be highly system-aided. The system must provide for automated eligibility determination, duplicate claim identification, benefit calculation, data collection and explanation of benefit forms. It must limit the opportunity for processor error, provide security against unauthorized entry, track provider licensing status and maintain appropriate history on-line.

c. Claim Processing Personnel

The Contractor must maintain an adequate staff of qualified employees to administer the Plan. The Contractor must also have a qualified customer service staff to answer questions from enrollees and providers with an adequate number of toll-free telephone lines available at reasonable hours.

d. Payment In Accordance With Plan

The Contractor must not charge against MPSERS' account for claim payments not authorized under the Plan, except that the Contractor may charge such payments for an individual who was formerly covered by the plan if such payments were made prior to notification of the individual's ineligibility.

e. Claim History

If any transition to a new Contractor is to be made on other than a Plan anniversary, currently calendar year, the Contractor must present a procedure acceptable to MPSERS for adjudicating claims so as to reflect the status of claimant's annual and lifetime maximums under the Plan as of the commencement of its administration. If the Contractor is not Delta Dental Plan, the Contractor must be prepared to accept a claim history tape from Delta and work closely with

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Delta to resolve any difficulties that may arise in integrating claim history into its system.

The Contractor must also maintain its data in such a manner that it can provide to MPSERS or any subsequent administrator a current claim history tape within 30 days of the date of request. Moreover, the Contractor must provide, on magnetic medium or hard copy, a monthly claim history update until all runout claims are closed.

5. Utilization Data Reporting

MPSERS has established a database of utilization statistics to better manage the Plan using an outside vendor. This database will no longer be maintained after June 30, 1997, however the Contractor will be responsible for maintenance of a claims database and reporting as follows:

a. Data Maintenance

The Contractor must capture and store with respect to each claim all of the data elements specified in Appendix C. The data for each plan year (January 1 through December 31) must be retained for a period of not less than seven years and must be maintained in such form that it can be downloaded to magnetic media and transferred to MPSERS at termination of the contract or at such other time or times as MPSERS shall specify.

b. Reporting

The contractor shall, if requested by MPSERS, prepare a utilization report not more often than annually in a format mutually agreeable to MPSERS and the Contractor. In addition, the Contractor shall prepare such *ad hoc* reports as MPSERS shall request to assist it in monitoring utilization of the plan.

6. Performance Standards

MPSERS intends that services rendered by the Contractor shall be accurate and timely. Therefore, it will require the establishment of performance measurements and standards. It will also require that the Contractor be at financial risk for its performance in the areas of administrative accuracy, financial accuracy and claim processing time.

Not less often than annually, the Contractor must permit a claim audit and performance evaluation by an independent vendor to be selected by the State.

The Contractor must agree to the following performance provisions. If the Contractor is unwilling to agree, its bid will be disqualified. Application of these provisions will be determined by a performance appraisal conducted by an outside vendor retained by the State. The appraisal will consist in part of an audit of a statistically valid random sample of claims processed during each contract year.

a. Financial Error Rate

This is defined as the number of claims containing errors of a financial nature (i.e., incorrect benefit amount) divided by the number of claims in the sample. If the financial error rate exceeds two (2) percent then the Contractor's administrative fee for the year audited will be ninety-eight percent (98.0%) of its quoted fee, less an additional one (1) percent for each full percentage point by which the error rate exceeds two (2) percent.

b. Non-Financial Error Rate

This is defined as the number of claims containing errors of a non-financial nature divided by the number of claims in the sample. If the non-financial error rate exceeds four (4) percent then the Contractor's administrative fee for the year audited will be ninety-eight and one-half percent (98.5%) of the fee quoted, less an additional one and one-half percent (1.5%) for each full percentage point by which the error rate exceeds four (4) percent.

c. Turnaround Time

Turnaround time is defined as the number of days between the date a claim for which payment is made directly to a participant is received in the Contractor's claim office and the date the Explanation of Benefits form is mailed. If the average turnaround time for all claims is not less than ten (10) days, then the Contractor's administrative fee for the year audited will be ninety-eight and one-half percent (98.5%) of the fee quoted, less an additional one and one-half percent (1.5%) for each additional three (3) days by which the average turnaround time exceeds ten (1) days. The Contractor must maintain its records in a manner that will allow turnaround time to be calculated by a fully automated computer audit.

In the event that the Contractor's administrative fee for the plan year is to be adjusted under more than one of the preceding subparagraphs, then the adjustment will be computed separately under each subparagraph and the total adjustment for all subparagraphs will be applied to the quoted fee.

Failure to audit any year's claims shall not prejudice MPSERS' right to audit claims of any other year.

In addition to any adjustment of the Contractor's fees as described above, the Contractor shall agree to reimburse to the plan the full amount of any claim overpayment actually discovered by an audit. Moreover, if the audit or other source shows that there has been a pattern of overpayments on a particular type or class of claim, and if the Contractor cannot refute such showing, the Contractor shall either recover such overpayments at its own expense or reimburse to the plan the full amount of such overpayments.

7. Senior Account Manager

The Contractor shall provide an experienced senior account manager (SAM). The SAM shall have substantial experience with accounts of MPSERS' size, complexity and composition. The SAM shall have the ability within the Contractor organization to obtain the use of such resources as are necessary to meet MPSERS' needs. The

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SAM shall be available to meet with MPSERS staff on at least a monthly basis in Lansing.

The SAM shall have at least one qualified back-up or assistant who shall be capable of performing the responsibilities of the SAM in the event that the SAM is unavailable.

The SAM shall not be changed by the Contractor without the approval of MPSERS.

8. Provider Contracting

MPSERS intends that the Contractor shall provide for the care of plan participants on a basis which offers favorable pricing for the State and the participants. To this end, the Contractor shall maintain a network of providers whose maximum fees and other charges shall be determined by contract, either blanket or on a case-by-case basis, between the provider and the Contractor. Periodically, the Contractor shall provide a report to MPSERS that contains a comparison of the contractual fees and charges allowed to network providers for representative services and supplies to those generally charged in the fee-for-service/supply market. The timing and format of the report shall be mutually agreed upon between MPSERS and the Contractor. Contractors should note that compliance with this reporting requirement may necessitate periodic purchase of access to a health care claims database maintained by an outside source such as the Health Insurance Association of America (HIAA).

II-I PROJECT CONTROL AND REPORTS

I. Project Control

- a. The Contractor will carry out this project under the direction and control of MPSERS.**
- b. Although there will be continuous liaison with the Contractor team, the client agency's project director will meet monthly at a minimum, with the Contractor's project manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems which arise.**
- c. The Contractor will submit brief written monthly (or more frequently, if necessary) summaries of progress which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated, which should be brought to the attention of the client agency's project director; and notification of any significant deviation from previously agreed-upon work plans.**
- d. Within five (5) working days of the award of the BPO, the Contractor will submit to MPSERS' project director for final approval a work plan. This final implementation plan must be in agreement with Section IV-C subsection 2 as proposed by the bidder and accepted by the State for BPO, and must include the following:**
 - (1) The Contractor's project organizational structure.**
 - (2) The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.**

(3) The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.

(4) The time-phased plan in the form of a graphic display, showing each event, task, and decision point in your work plan.

2. Reports

The Contractor shall prepare a reconciliation report on a quarterly basis to assist in an on-going reconciliation of claim payments, fees and other financial transactions. The format and timing of the report shall be determined by mutual agreement between MPSERS and the Contractor.

SECTION III
CONTRACTOR INFORMATION

III-A BUSINESS ORGANIZATION

PRIMARY CONTRACTOR

Delta Dental
4100 Okemos Road
Okemos, MI 48864

III-B AUTHORIZED CONTRACTOR EXPEDITER:

Charles Floyd
Delta Dental
4100 Okemos Road
Okemos, MI 48864

517-347-5400

APPENDIX A

CONTRACTOR'S TECHNICAL PROPOSAL
(EXCERPTS)

APPENDIX B
CONTRACTOR'S PRICING