

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

**CHANGE NOTICE NO. 6**  
 to  
**CONTRACT NO. 071B9200005**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Actiondata, Inc. 23077 Greenfield Road, Suite 525 Southfield, MI 48075	Anna Vellmure	anna@actiondata.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 559-0200	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DEQ/DCH	Carla Wintz Shirley Martin	(517) 241-7107 (517) 241-2305	<a href="mailto:wintzc@michigan.gov">wintzc@michigan.gov</a> martins@michigan.gov
BUYER	DTMB	Brandon Samuel	(517) 241-1218	samuelb@michigan.gov

CONTRACT SUMMARY:			
<b>Data Entry Services – Department of Environmental Quality and the Department of Community Health</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2008	September 30, 2009	4, 1 yr. options	September 30, 2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	2 months	November 30, 2014
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
		\$5,230,886.97		

Effective October 1, 2014, this contract is hereby extended through November 30, 2014. All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Procurement approval.

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

**CHANGE NOTICE NO. 5**  
 to  
**CONTRACT NO. 071B9200005**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Actiondata, Inc. 23077 Greenfield Road, Suite 525 Southfield, MI 48075	Anna Vellmure	anna@actiondata.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 559-0200	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DEQ/DCH	Carla Wintz Shirley Martin	(517) 241-7107 (517) 241-2305	<a href="mailto:wintzc@michigan.gov">wintzc@michigan.gov</a> martins@michigan.gov
BUYER	DTMB	Brandon Samuel	(517) 241-1218	samuels@michigan.gov

CONTRACT SUMMARY:			
Data Entry Services – Department of Environmental Quality and the Department of Community Health			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2008	September 30, 2009	4, 1 yr. options	September 30, 2013
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	1 Year	September 30, 2014
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$385,000.00		\$5,230,886.97		
Per Vendor approval dated 4/3/13 and Adboard approval dated 4/16/13, this Contract is extended until September 30, 2014 and an additional \$385,000.00 has been added to this Contract. All other terms, conditions, specifications and pricing remain unchanged.				

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

July 13, 2012

**CHANGE NOTICE NO. 4**  
 to  
**CONTRACT NO. 071B9200005**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Actiondata, Inc. 23077 Greenfield Road, Suite 525 Southfield, MI 48075	Anna Vellmure	<a href="mailto:anna@actiondata.com">anna@actiondata.com</a>
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 559-0200	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	Various	See Section 2.401 for Agency CCI's		
BUYER:	DTMB	Brandon Samuel	(517) 241-1218	<a href="mailto:samuelb@michigan.gov">samuelb@michigan.gov</a>

CONTRACT SUMMARY:			
DESCRIPTION: <b>Data Entry Services – Department of Labor and Economic Growth - Department of Community Health – Department of Environmental Quality -</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS	CURRENT EXPIRATION DATE
October 1, 2008	September 30, 2009	4, 1 Yr. Options	September 30, 2012
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:		AVAILABLE TO MiDEAL PARTICIPANTS	
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other		<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:		
OPTION EXERCISED: <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	IF YES, EFFECTIVE DATE OF CHANGE: July 25, 2012	NEW EXPIRATION DATE: September 30, 2013
Effective immediately, this Contract is hereby EXTENDED to September 30, 2013, and INCREASED by \$692,000.00.		
All other terms, conditions, specifications, and pricing remain the same.		
Per vendor and agency agreement, DTMB Procurement approval, and the approval of the State Administrative Board dated July 24, 2012.		
VALUE/COST OF CHANGE NOTICE:	\$692,000.00	
ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	\$4,845,886.97	

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

August 30, 2011

**CHANGE NOTICE NO. 3**  
**TO**  
**CONTRACT NO. 071B920005**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF CONTRACTOR  <b>Actiondata, Inc.</b> <b>23077 Greenfield Road, Suite 525</b> <b>Southfield, MI 48075</b>  <b>anna@actiondata.com</b>		TELEPHONE (248) 559-0200 <b>Anna Vellmure</b>
		BUYER/CA (517) 241-1218 <b>Brandon Samuel</b>
Contract Compliance Inspector: See Section 2.401 for Agency CCI's <b>Data Entry Services – Department of Labor and Economic Growth</b> <b>- Department of Community Health – Department of Environmental Quality -</b>		
CONTRACT PERIOD: From: <b>October 1, 2008</b> To: <b>September 30, 2012</b>		
TERMS	<b>Net 45</b>	SHIPMENT <b>N/A</b>
F.O.B.	<b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>		

**NATURE OF CHANGE(S):**

**Effective immediately, this Contract is hereby EXTENDED through September 30, 2012, and INCREASED by \$964,270.97. Please also note that the buyer has been CHANGED to Brandon Samuel.**

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

**AUTHORITY/REASON:**

**Per vendor and agency agreement, DTMB Purchasing Operations approval and the approval of the State Ad Board on August 30, 2011.**

**INCREASE: \$964,270.97**

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$4,153,886.97**

**STATE OF MICHIGAN**  
**DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET**      September 15, 2010  
**PURCHASING OPERATIONS**  
**P.O. BOX 30026, LANSING, MI 48909**  
 OR  
**530 W. ALLEGAN, LANSING, MI 48933**

**CHANGE NOTICE NO. 2**  
**TO**  
**CONTRACT NO. 071B9200005**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF CONTRACTOR  <b>Actiondata, Inc.</b> <b>23077 Greenfield Road, Suite 525</b> <b>Southfield, MI 48075</b>  <b>anna@actiondata.com</b>		TELEPHONE (248) 559-0200 <b>Anna Vellmure</b>
		BUYER/CA (517) 241-0684 <b>Brian Kloeckner</b>
Contract Compliance Inspector: See Section 2.401 for Agency CCI's <b>Data Entry Services – Department of Labor and Economic Growth</b> <b>- Department of Community Health – Department of Environmental Quality -</b>		
CONTRACT PERIOD:                      From: <b>October 1, 2008</b> To: <b>September 30, 2011</b>		
TERMS	<b>Net 45</b>	SHIPMENT  <b>N/A</b>
F.O.B.	<b>N/A</b>	SHIPPED FROM  <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>		

**NATURE OF CHANGE(S):**

**Effective immediately, this Contract is hereby EXTENDED through September 30, 2011, and INCREASED by \$1,072,368.00.**

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

**AUTHORITY/REASON:**

**Per DCH/DELEG/DNRE/DTMB and Ad Board approval on 9/14/10.**

**INCREASE: \$1,072,368.00**

**TOTAL REVISED CURRENT AUTHORIZED SPEND LIMIT: \$3,189,616.00**

**071B9200005  
Change Notice No. 2  
Signature Block**

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FOR THE CONTRACTOR:

**Actiondata Inc.**

**Firm Name**

**Authorized Agent Signature**

**Authorized Agent (Print or Type)**

**Date**

FOR THE STATE:

**Signature**

**Melissa Castro, Division Director**

**Name/Title**

**Services Division**

**Division**

**Date**

**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 29, 2009

**CHANGE NOTICE NO. 1  
 TO  
 CONTRACT NO. 071B9200005  
 between  
 THE STATE OF MICHIGAN  
 and**

<b>NAME &amp; ADDRESS OF CONTRACTOR</b>  <b>Actiondata, Inc.</b> <b>23077 Greenfield Road, Suite 525</b> <b>Southfield, MI 48075</b>  <b>anna@actiondata.com</b>		<b>TELEPHONE (248) 559-0200</b> <b>Anna Vellmure</b>
		<b>BUYER/CA (517) 241-0684</b> <b>Brian Kloeckner</b>
		<b>Contract Compliance Inspector: See Section 2.401 for Agency CCI's</b> <b>Data Entry Services – Department of Labor and Economic Growth</b> <b>- Department of Community Health – Department of Environmental Quality -</b>
<b>CONTRACT PERIOD: From: October 1, 2008 To: September 30, 2010</b>		
<b>TERMS</b>  <b>Net 45</b>	<b>SHIPMENT</b>  <b>N/A</b>	
<b>F.O.B.</b>  <b>N/A</b>	<b>SHIPPED FROM</b>  <b>N/A</b>	
<b>MINIMUM DELIVERY REQUIREMENTS</b> <b>N/A</b>		

**NATURE OF CHANGE(S):**

**Effective immediately, this Contract is hereby EXTENDED through September 30, 2010, and INCREASED by \$1,057,034.80. NOTE: The DMB Buyer for this Contract is changed to Brian Kloeckner (517) 241-0684.**

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

**AUTHORITY/REASON:**

**Per agency request, Contractor agreement (letter dated 4/3/09), Ad Board approval on 7/21/09 and DMB/Purchasing Operations' approval.**

**REVISED CURRENT AUTHORIZED SPEND LIMIT: \$2,117,248.80**

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

**August 29, 2008**

**NOTICE**  
**TO**  
**CONTRACT NO. 071B9200005**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF CONTRACTOR  <b>Actiondata, Inc.</b> <b>23077 Greenfield Road, Suite 525</b> <b>Southfield, MI 48075</b>  <b>anna@actiondata.com</b>		TELEPHONE (248) 559-0200 <b>Anna Vellmure</b>
		BUYER/CA (517) 241-3768 <b>Lance Kingsbury</b>
Contract Compliance Inspector: See Section 2.401 for Agency CCI's <b>Data Entry Services – Department of Labor and Economic Growth</b> <b>- Department of Community Health – Department of Environmental Quality -</b>		
CONTRACT PERIOD: From: <b>October 1, 2008</b> To: <b>September 30, 2009</b>		
TERMS	<b>Net 45</b>	SHIPMENT <b>N/A</b>
F.O.B.	<b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>		

**The terms and conditions of this Contract are attached.**

**Current Authorized Spend Limit: \$1,060,214.00**

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

**CONTRACT NO. 071B9200005  
 between  
 THE STATE OF MICHIGAN  
 and**

NAME & ADDRESS OF CONTRACTOR  <b>Actiondata, Inc.          23077 Greenfield Road, Suite 525          Southfield, MI 48075</b>  <p style="text-align: right;">anna@actiondata.com</p>	TELEPHONE (248) 559-0200 <b>Anna Vellmure</b>  BUYER/CA (517) 241-3768 <b>Lance Kingsbury</b>
Contract Compliance Inspector: See Section 2.401 for Agency CCI's <p style="text-align: center;"><b>Data Entry Services – Department of Labor and Economic Growth          - Department of Community Health – Department of Environmental Quality -</b></p>	
CONTRACT PERIOD: From: <b>October 1, 2008</b> To: <b>September 30, 2009</b>	
TERMS <p style="text-align: center;"><b>Net 45</b></p>	SHIPMENT <p style="text-align: center;"><b>N/A</b></p>
F.O.B. <p style="text-align: center;"><b>N/A</b></p>	SHIPPED FROM <p style="text-align: center;"><b>N/A</b></p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;"><b>N/A</b></p>	
MISCELLANEOUS INFORMATION:  <p><b>The terms and conditions of this Contract are attached.</b></p>  <p><b>Current Authorized Spend Limit:                    \$1,060,214.00</b></p>	

**THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of Request for Proposal #07118200046. A Purchase Order Form will be issued only as the requirements of the State Departments are submitted to Purchasing Operations. Orders for delivery may be issued directly by the State Departments through the issuance of a Purchase Order Form.**

<b>FOR THE CONTRACTOR:</b>  <hr/> <p style="text-align: center;"><b>Actiondata, Inc.</b></p> <hr/> <p style="text-align: center;">Firm Name</p> <hr/> <p style="text-align: center;">Authorized Agent Signature</p> <hr/> <p style="text-align: center;">Authorized Agent (Print or Type)</p> <hr/> <p style="text-align: center;">Date</p>	<b>FOR THE STATE:</b>  <hr/> <p style="text-align: center;">Signature</p> <p style="text-align: center;"><b>William C. Walsh, CPPB, Buyer Manager</b></p> <hr/> <p style="text-align: center;">Name/Title</p> <p style="text-align: center;"><b>Services Division, Purchasing Operations</b></p> <hr/> <p style="text-align: center;">Division</p> <hr/> <p style="text-align: center;">Date</p>
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TABLE OF CONTENTS

**1.0 Project Identification ..... 4**

    1.001 PROJECT ..... 41

    1.002 BACKGROUND ..... 41

    1.102 OUT OF SCOPE - RESERVED ..... 41

    1.103 ENVIRONMENT - RESERVED ..... 41

    1.104 WORK AND DELIVERABLES ..... 41

**1.2 Roles and Responsibilities ..... 41**

    1.201 CONTRACTOR STAFF, ROLES AND RESPONSIBILITIES ..... 41

    1.202 STATE STAFF ROLES AND RESPONSIBILITIES ..... 42

    1.203 OTHER ROLES AND RESPONSIBILITIES – DELETED NOT APPLICABLE ..... 42

**1.3 Project Plan ..... 43**

    1.301 PROJECT PLAN MANAGEMENT ..... 43

    1.302 REPORTS ..... 43

**1.4 Project Management ..... 43**

    1.401 ISSUE MANAGEMENT ..... 43

    1.402 RISK MANAGEMENT ..... 43

    1.403 CHANGE MANAGEMENT ..... 43

**1.5 Acceptance ..... 44**

    1.501 CRITERIA ..... 44

    1.502 FINAL ACCEPTANCE – DELETED NOT APPLICABLE ..... 44

**1.6 Compensation and Payment ..... 44**

    1.601 Compensation and Payment ..... 44

**1.7 Additional Terms and Conditions Specific to this SOW ..... 45**

    1.701 Additional Terms and Conditions Specific to the SOW ..... 45

**2.0 Introduction ..... 47**

    2.001 GENERAL PURPOSE ..... 47

    2.002 ISSUING OFFICE AND CONTRACT ADMINISTRATOR ..... 47

    2.003 NOTICE ..... 47

    2.004 CONTRACT TERM ..... 47

    2.005 GOVERNING LAW ..... 48

    2.006 APPLICABLE STATUTES ..... 48

    2.007 RELATIONSHIP OF THE PARTIES ..... 48

    2.008 HEADINGS ..... 48

    2.009 MERGER ..... 49

    2.010 SEVERABILITY ..... 49

    2.011 SURVIVORSHIP ..... 49

    2.012 NO WAIVER OF DEFAULT ..... 49

    2.013 PURCHASE ORDERS ..... 49

**2.1 CONTRACTOR/CONTRACTOR OBLIGATIONS ..... 49**

    2.101 ACCOUNTING RECORDS ..... 49

    2.102 NOTIFICATION OF OWNERSHIP ..... 49

    2.103 SOFTWARE COMPLIANCE - RESERVED ..... 50

    2.104 LIABILITY INSURANCE ..... 50

    2.105 PERFORMANCE AND RELIABILITY EVALUATION (PARE) - RESERVED ..... 52

    2.106 PREVAILING WAGE - RESERVED ..... 52

    2.107 PAYROLL AND BASIC RECORDS - RESERVED ..... 52

    2.108 COMPETITION IN SUB-CONTRACTING ..... 52

    2.109 CALL CENTER DISCLOSURE ..... 52

    2.110 WORKPLACE DISCRIMINATION ..... 52

    2.111 LABOR RELATIONS ..... 53

**2.2 CONTRACT PERFORMANCE ..... 53**

    2.201 TIME IS OF THE ESSENCE ..... 53

    2.202 CONTRACT PAYMENT SCHEDULE ..... 53

    2.203 POSSIBLE PROGRESS PAYMENTS - RESERVED ..... 53

    2.204 POSSIBLE PERFORMANCE-BASED PAYMENTS - RESERVED ..... 53

    2.205 ELECTRONIC PAYMENT REQUIREMENT ..... 53

    2.206 PERFORMANCE OF WORK BY CONTRACTOR - RESERVED ..... 53



**2.3 CONTRACT RIGHTS AND OBLIGATIONS ..... 53**

2.301 INCURRING COSTS ..... 53

2.302 CONTRACTOR RESPONSIBILITIES ..... 54

2.303 ASSIGNMENT AND DELEGATION ..... 54

2.304 TAXES ..... 54

2.305 INDEMNIFICATION ..... 54

2.306 LIMITATION OF LIABILITY ..... 57

2.307 CONTRACT DISTRIBUTION ..... 57

2.308 FORM, FUNCTION, AND UTILITY - RESERVED ..... 57

2.309 ASSIGNMENT OF ANTITRUST CAUSE OF ACTION ..... 57

2.310 PURCHASING FROM OTHER STATE AGENCIES - RESERVED ..... 57

2.311 TRANSITION ASSISTANCE ..... 57

2.312 RESERVED ..... 57

2.313 RESERVED ..... 57

2.314 WEBSITE INCORPORATION ..... 57

**2.4 CONTRACT REVIEW AND EVALUATION ..... 58**

2.401 CONTRACT COMPLIANCE INSPECTOR ..... 58

2.402 PERFORMANCE REVIEWS ..... 59

2.403 AUDIT OF CONTRACT COMPLIANCE/ RECORDS AND INSPECTIONS ..... 59

**2.5 QUALITY AND WARRANTIES ..... 59**

2.501 PROHIBITED PRODUCTS - RESERVED ..... 59

2.502 QUALITY ASSURANCE - RESERVED ..... 59

2.503 INSPECTION - RESERVED ..... 59

2.504 GENERAL WARRANTIES - RESERVED ..... 59

2.505 CONTRACTOR WARRANTIES ..... 59

2.506 STAFF - RESERVED ..... 60

2.507 RESERVED ..... 60

2.508 EQUIPMENT WARRANTY - RESERVED ..... 60

2.509 RESERVED ..... 60

**2.6 BREACH OF CONTRACT ..... 60**

2.601 BREACH DEFINED ..... 60

2.602 NOTICE AND THE RIGHT TO CURE ..... 60

2.603 EXCUSABLE FAILURE ..... 61

**2.7 REMEDIES ..... 61**

2.701 CANCELLATION ..... 61

2.702 RIGHTS UPON CANCELLATION ..... 62

2.703 LIQUIDATED DAMAGES - RESERVED ..... 62

2.704 STOP WORK - RESERVED ..... 62

2.705 SUSPENSION OF WORK ..... 63

**2.8 CHANGES, MODIFICATIONS, AND AMENDMENTS ..... 63**

2.801 APPROVALS ..... 63

2.802 TIME EXTENTIONS ..... 63

2.803 MODIFICATION ..... 63

2.804 AUDIT AND RECORDS UPON MODIFICATION ..... 64

2.805 CHANGES ..... 64

**ATTACHMENTS**

ATTACHMENT I	TITLE V - CONFIDENTIAL INFORMATION PROTECTION AND STATISTICAL EFFICIENCY
ATTACHMENT II	COMMISSIONER'S ORDER No. 1-06
ATTACHMENT III	CONFIDENTIALITY TRAINING – HANDOUT F
ATTACHMENT IV	BLS AGENT AGREEMENT



## Article 1 – Statement of Work (SOW)

### 1.0 Project Identification

#### 1.001 PROJECT

This Contract is for Data Entry Services necessary to complete various projects for multiple state agencies.

#### 1.002 BACKGROUND

#### **Department of Labor and Economic Growth (DLEG)**

Department of Labor and Economic Growths (DLEG) Unemployment Insurance Agency (UIA) has established a sixty day quarterly keying cycle for data encoding and verification and is requiring work to be completed at an average rate of 80,000 records per day, or 400,000 records per week.

*DLEG/Agency 1 - Unemployment Insurance Agency*

Employers Quarterly Wage Detail Report  
Quarterly Wage Detail Header

Keying is for an estimated 1.767 million records from approximately 201,000 forms each quarter for up to 12 quarters

*DLEG/ Agency 2 - Bureau of Labor Market Information & Strategic Initiatives*

S.P.A.M.  
R&S Updates to ES-202 (quarterly)  
R&S Updates to ES-202 (daily)  
Employer/Claimant Surveys  
Miscellaneous Key Entry

#### **Department of Community Health (DCH)**

The State of Michigan Department of Community Health requires high quality, reliable data encoding services for Vital records in the areas of deaths, marriages, and divorces

MDCH requires that due dates are met, while still providing MDCH with 99.5 percent accuracy following blind verification.

#### **Department of Environmental Quality (DEQ)**

The State of MI DEQ has two encoding jobs for its Waste Management Division:

- Uniform Hazardous Waste Manifest (white copy)
- Uniform Hazardous Waste Manifest (pink copy)

Contractor must encode 290,000 documents annually with 99.5% verification while still meeting the set deadline of five days per received batch.

### 1.1 Scope of Work and Deliverables

#### 1.101 IN SCOPE

The Contractor will be responsible to pick up project requests at multiple locations, conduct data entry, encoding, and verification services, incorporate security and disaster recovery, and provide return delivery of work and finished products.

The Contractor must have knowledge of personal private information handling guidelines, and practices.

The Contractor will not be required to make pickup or deliveries on scheduled State holidays listed below:

Holiday

New Years Day  
 Martin Luther King Day  
 President's Day  
 Memorial Day  
 Independence Day  
 Labor Day  
 Veteran's Day  
 Election Day  
 Thanksgiving Day  
 Day After Thanksgiving  
 Christmas Eve  
 Christmas Day  
 New Years Eve

Observance

January 1<sup>st</sup>  
 Third Monday in January  
 Third Monday in February  
 Last Monday in May  
 July 4<sup>th</sup>  
 First Monday in September  
 November 11th  
 In even-numbered years  
 Fourth Thursday in November  
 Friday following Thanksgiving  
 December 24<sup>th</sup>  
 December 25<sup>th</sup>  
 December 31<sup>st</sup>

In scope duties for each state agency are incorporated. The duties include, but are not limited to, the following:

**WORK STATEMENT  
 KEYPUNCH SERVICES – DLEG  
 UNEMPLOYMENT INSURANCE AGENCY**

I. Contract Administrator  
 Murrin Shannon, Manager  
 Department of Labor and Economic Growth (DLEG)  
 Unemployment Insurance Agency – Wage Record Unit  
 3024 West Grand Boulevard, Suite 12-450  
 Detroit, MI 48202-6204

II. Project Statement

The State of Michigan, Department of Labor and Economic Growth (DLEG), Unemployment Insurance Agency (UIA) Wage Record Unit requires Data-Entry Services to provide data encoding, verification and transmittal of completed data encoding through the internet of the UIA "Employer's Quarterly Wage Detail Report" (Form UIA1017) and the "Quarterly Wage Detail Header" (Form UIA 1402). Keying is for an estimated 1.767 million records from approximately 201,000 forms each quarter for up to 12 quarters. This data will be provided to the UIA via the Internet at our Website: <http://b2g.unemployment.state.mi.us>.

III. Standard of Performance

A Pickup and Delivery

1. The Contractor shall be responsible for pickup and delivery.
2. Source document batches shall be picked up from and returned to:

DLEG/UIA  
 Wage Record Unit  
 3024 W. Grand Blvd., Suite 12-450  
 Detroit, MI 48202

3. The Contractor will not be permitted to deliver or pickup work between 3:30 p.m. and 9:30 a.m.
4. In order to meet the 60-day quarterly keying cycle, work must be completed at an average rate of 80,000 records per day or 400,000 per week, which must be reflected in daily Keypunch Contractor File Submission, via the web site, to DLEG/UIA.



5. All batches will be numbered by UIA Wage Record Unit. All work picked up as one batch must be returned as such.
6. Contractor must return data in the order received.
7. The State of Michigan reserves the right to cancel this Contract for failure to maintain turn around times.

#### B. Security and Control

The Contractor is completely responsible for maintaining the confidentiality, safety and security of all source documents placed in the Contractor's custody, as well as all output data (media) produced. Privacy Act(s) protecting the private employers and claimants are statutes of law, which apply to these data while in the hands of the Contractor. The source documents and output media will be the Contractor's responsibility from pickup to delivery. The Contractor shall be fully liable to the UIA for any and all costs required to reconstruct all records lost or damaged, for any reason, while in the Contractor's possession.

Minimum security and control arrangements must include, but are not limited to, the following:

1. Transport of the source documents and output media between DLEG/UIA and the Contractor's business must be in a completely enclosed and locked vehicle.
2. All media must be kept, at all times, in the Contractor's place of business stated in the bid document, and be protected against inspection by persons not directly involved with performance of the UIA purchase order.
3. The media must be protected physically at all times against loss or damage from any source or for any reason. Storage of source documents and output media is to be in Underwriters Laboratory certified fire-resistant safes or cabinets.
4. The Contractor's premises must be reasonably and adequately protected at all times by working fire protection system and a burglar alarm system.
5. The Contractor shall notify its employees of the above security and control requirements and obligations.
6. The Contractor's proposed security and control measures must be considered workable and acceptable by the State of Michigan before a Contractor will be awarded a purchase order from this Contract.

The state reserves the right to visit the Contractor's premises at any time the work is being performed and inspects the work and conditions under which it is being performed. Security and recovery policies, procedures, and plans must be demonstrable in existence and assure protection of transactions in process.

#### C. Error Rate

The UIA Wage Record Unit will continually review and evaluate errors. Error rates will be based on total characters in error divided by total characters keyed. Acceptable error limits are defined as follows:

Alphanumeric: All Fields Verified – Error Rate not to exceed .05%  
Numeric: All Fields Verified – Error Rate not to exceed .05%

All keyed fields are to be verified, without exception. Error rates will be defined as characters on the keyed record differing from characters on the source document. This includes dropped characters, inserted characters, and transpositions. The State of Michigan will not pay the Contractor for work that is in error.



D. Questionable Data

Data that the Contractor is unsure how to process will be returned to the Wage Record Unit of the DLEG/UIA, in a separate package labeled "Questions." Forms with questionable data must be labeled with the date, batch number, and box number from which they were removed.

E. Recording Media

1. The Contractor must keep a copy of each file produced at the Contractor's place of business for a period of 30 days in case the DLEG/UIA system requires the work to be duplicated. Backup will be required for this period, even after the contract expires or is cancelled.

F. This Contract may be canceled by the State, without penalty, in less than 30 days for any of the following reasons:

1. Failure by Contractor to meet completion dates.
2. Failure by Contractor to pickup/deliver as required,
3. If Contractor subcontracts work without written permission.
4. If error rate exceeds limits prescribed.
5. Failure of Contractor to follow submitted security and recovery procedures.
6. If data does not remain confidential.
7. If Contractor overcharges.
8. If batch control sheets are not returned.
9. If Contractor fails to perform additional work within the limits.
10. If volume of work or available funding is no longer sufficient to justify the continuation of service.

G. Production Schedule:

It is mandatory to submit a production schedule (page 14) for each of 2 quarters. Proposed production schedules will be evaluated to determine that the Contractor has adequate resources to meet the State's requirements.



## IV. Processing Volume

The estimated volumes for this encoding contract include the following:

- a. There are approximately 4,125 batches each quarter. Each batch consists of approximately 50 "Employer's Quarterly Detail Reports" (Form 1017).
- b. Each form 1017 contains from 1 to an unlimited number of employee records. DLEG/UIA estimates an average of 12 lines (employee records) per form and a total of approximately 201,000 forms per quarter.
- c. The estimated quarterly total volume of employee records is 1.767 million. As each form and batch also generates a record, the total record estimate is 1.982 million. Due to recent law amendments and possible technology upgrades, this volume may change.
- d. The average for all records in a typical batch is estimated to be 55-60 keystrokes per record keyed and verified.

V. Specifications

## 1. DATA ENCODING &amp; VERIFICATION

A. Keying formats and output record layouts are attached.

B. Each batch consists of:

1. One (1) batch sheet called a "Quarterly Wage Detail Header" (Form 1402).
2. Approximately 50 "Employer's Quarterly Wage Detail Reports" (Form 1017) may be in a batch.
3. Information may be in a format equivalent to the form 1017, but not on the exact form.
4. Detail employee record data may be on "printouts" or other forms to supplement a given form 1017 (i.e., there may be more employees per form than the 20 lines allowed).

C. The middle initial is not on the form. If a report shows a middle initial, disregard it.

D. Any line of detail with an "X" in the "Delete" column must not be keyed unless there are wages shown for the detail. If both an "X" in the "Delete" column and wages in the "Total Gross Wages" column are shown, key the line of detail.

E. For duplicate batch numbers, return the entire batch with the appropriate item checked on the return memo.

F. For a missing UIA Employer Account Number, pull the report out of the batch and return with the appropriate item checked on the return memo.

G. For a missing received date, use the received date from the first item in the batch. If all reports in the batch have no received date, return the entire batch with the appropriate item checked on the return.

H. For a bad UIA Employer Account Number (a number not equal to 10 digits), pull the form out of the batch and return it to UIA/Wage Record Unit with the appropriate item checked on the return memo.

I. For missing social security numbers, do not zero fill social security numbers. Return all forms to UIA that the social security number is blank.



- J. For a missing quarter/ending date, pull the form out of the batch and return it to UIA/Wage Record Unit with the appropriate item checked on the return memo.

All items returned must be packaged separately and labeled as "Returned for Correction" and delivered to the Wage Record Unit of DLEG/UIA. Any changes made to the instructions regarding form 1017 will be confirmed in writing from the Wage Record Unit.

## 2. ON-LINE FILING

The Contractor must follow the file formats.

Upon completion of data transfer, UIA will conduct validations of data transferred. If the file does not pass these validations, it is rejected and the user is informed via an email.

Upon award of contract questions regarding this process should be put in writing and directed to Contract Administrator, Murrin Shannon UIA Wage Record Unit, (313) 456-2767. The response will be in writing from the Wage Record Unit and no other source, to provide a record of questions and concerns.

## VI Contractor Responsibilities

- A. The Contractor will be responsible for the pickup and deliver of source documents as set forth in the "Standard of Performance." The cost of pickup and delivery must be included in the cost per thousand records for each of the forms.
- B. The daily time schedule for pickup and delivery set forth in the "Standard of Performance" must be strictly observed.

The quotation must be stated in dollars per 1,000 output records. The number of output records will be the only basis for billing. There will be no other charges. For example, such things as Internet transfer, set-up and changes, pickup and delivery, conversions, or cost of billing will be included in the cost per 1,000 output records.

The individual prices per 1,000 records must be identified on the price quotation on page 20.

- C. A keystroke is defined as a depression of a machine key by a human operator. This includes depression of a key for the entry of a digit or character or any control key.
- D. The invoice submitted to UIA for payment must reflect all elements on page 13 or such alternate as approved by UIA. Contractor invoices will be processed and paid through normal State payment procedures and cannot be handled in a separate or different manner. Contractor invoices are to be submitted for no less than two-calendar week periods and must be submitted within 30 days of the completion of a work period unless specifically pre-approved by UIA.
- E. Upon award of the contract, the Contractor will meet with the Contract Administrator for detailed On-Line Filing for Contractors.







12/31/05

1/25/2006

STALLWORTH AFC 1  
CORPORATION  
3024 W. GRAND BLVD  
DETROIT, MI 48202

38-1111111

1234567

123

100-00-0041	EBDRALE	BEJIMMYLO	3041	00
100-00-0042	ECDRALE	CEKOMMYL	3042	00
100-00-0043	EEDRAKE	EEJIMMYLO	3043	00
100-00-0045	EHDRAKE	HEJIMMYLO	3046	00
100-00-0047	FJDRAKE	JFJIMMYLO	3058	00
100-00-0060	GADRAKE	AGJIMMYLO	3060	00

Signature:

Date:

TOTAL 18290.00

Title:

Telephone:



Invoice Report

Period Covered: \_\_\_\_\_

Form Number	Batch Number	Date Received	Date of Process	Total Forms	Output Records (Thousand)	Rate per 1,000 Records	Cost
						\$	\$
						Total	\$

Total charges applied to this contract, including this invoice: \_\_\_\_\_

Substitute invoice may be used if it contains all items and is approved by UIA Contract Administrator



MANDATORY Production Schedule of UIA Form 1017

Period: 60 Calendar Days

Volume: 201,000 Forms/1.767 Million Records/Quarter

This Production Schedule must be completed and return with the Contractor's bid.

Week	Number of Operators	Daily Prod. Hours Per Operator	Avg. Forms Per Hour Per Operator	Total Forms Per Day	Number of Days Per Week	Total Forms per Week
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
			Total	*****		



1017 Exception Report

FROM: (Contractor)

DATE:

TO: UIA  
Wage Record Unit

RE: 1017 Exceptions

The attached REPORT/BATCH (circle one) has been returned for the reason checked below:

BATCH #

BOX #

1. Missing EMPLOYER number
2. Incomplete Employer Number
3. EMPLOYER number questionable
4. No RECEIVED DATE stamped at bottom
5. No QUARTER ENDING DATE
6. Can not read information (data not legible)
7. MONEY questionable
8. No BATCH # stamped







## ON-LINE-FILING

## File Formats

## Keypunch Contractor File Format (140 byte records)

The Keypunch Contractor will only be able to submit a file in this format via the web site. These files will be validated by the web site and then passed on to the mainframe as 140 byte records and processed by PIV61900.

1. On the Batch Header Record (Record ID 1719IEVS), please add the Box Number in positions 41-46.
2. On the Employer Header Record (Record ID 1720IEVS), please include the number of employee records. Note that this field is part of the original file specification, but it has been zero filled in tapes received by the UIA.

## Batch Header Record

A Batch Header record must precede each batch of data submitted. Each batch contains a set of Employer Header records, and each Employer Record may contain a set of Employee Detail records. A file may have more than one batch. The first record of the file must be a Batch Header Record.

Location	Field name	Picture	Description
1-8	Record Identifier	X(08)	Constant "I719IEVS" ( <i>eye-seven-one-nine-eye-ee-vee-ess</i> )
9-15	Batch Number	9(07)	Unique, Contractor-assigned batch number
16	Batch Number ID	X(01)	Constant "W"
17-29	Unused	X(13)	Fill with spaces
30-37	Processing Date	9(08)	Date the data was keypunched in MMDDYYYY format. YYYY is the year with the century, for example 2002, 2006, 2010, etc.
38-40	Number of Employers	9(03)	Number of employers (Employer Header Records) in the batch.
41-46	Box Number	9(06)	The number of the box containing the paper 1017 source documents for this batch. Must be all digits.
47-140	Unused	X(94)	Fill with spaces.

## Keypunch Contractor File Layout



## Employer Header Record

There must be at least one Employer Header record following the Batch Header. The Employer Header may be followed by Employee Detail records.

Location	Field Name	Picture	Description
1-8	Record Identifier	X(08)	Constant "I720IEVS" ( <i>eye-seven-one-nine-eye-ee-vee-ess</i> )
9-15	Employer Number	9(07)	UA Account Number. Cannot be all zeros.
16-18	Multi Unit Number	X(03)	UA Account Number. Cannot be all zeros
19-23	Year-Quarter	9(05)	Filing quarter in YYYYQ format. YYYY is the year with the century, for example 2002, 2006, 2010, etc. Q is the quarter number: 1, 2, 3, or 4.
24-28	Reserved	X(05)	Reserved for UIA. Fill with spaces.
29-35	Batch Number	9(07)	Must be equal to the Batch Number in the Batch Header.
36	Batch Number ID	X(01)	Constant "W".
37-44	Wage Received Date	9(08)	Date wages were reported in MMDDYYYY format. YYYY is the year with the century, for example 2002, 2006, 2010, etc.
45-51	Number of Employees	9(07)	The number of Employee Detail records following this Employer Header. <i>Note: this field is part of the existing file specification, but has been zero-filled on tapes received by the UIA.</i>
52-64	Reserved	9(11)V99	Reserved for UIA. Fill with zeros.
65-77	Total Reported Wages	9(11)V99	Total wages filed on the 1017, right-justified and zero-filled
78-91	Reserved	9(14)	Reserved for UIA. Fill with zeros.
92-99	Quarter End Date	9(08)	End date of the quarter being reported in MMDDYYYY format. YYYY is the year with the century. For example, the quarter end date for 2Q 2006 is 20060630.
100-104	Reserved	9(05)	Reserved for UIA. Fill with zeros.
105	Reserved	X(01)	Reserved for UIA. Fill with spaces.
106-112	Reserved	9(07)	Reserved for UIA. Fill with zeros.
113-121	Reserved	X(09)	Reserved for UIA. Fill with spaces.
122-136	Reserved	9(15)	Reserved for UIA. Fill with zeros.
137-140	Reserved	X(04)	Reserved for UIA. Fill with spaces.

## Keypunch Contractor File Layout



Employee Detail Record

The Employer Header record may be followed by any number of Employee detail records. Note that the number of Employee Detail records must agree with the number stated in positions 45-51 in the Employer Header Record; if it doesn't the filing will be rejected. An Employee Detail count of zero is valid.

Location	Field name	Picture	Description
1-8	Record Identifier	X(08)	Constant "I721IEVS" ( <i>eye-seven-one-nine-eye-ee-vee-ess</i> )
9-15	Employer Number	9(07)	UA Account Number. Cannot be all zeros.
16-18	Multi Unit Number	9(03)	UA Multi Unit number. May be all zeros.
19-23	Year-Quarter	9(05)	Filing quarter in YYYYQ format. YYYY is the year with the century, for example 202, 2006, 2010, etc. Q us the quarter number: 1, 2, 3, or 4.
24-32	Social Security Number	9(09)	Employee's Social Security Number without dashes.
33-39	Batch Number	9(07)	Must be equal to the Batch Number in the Employer Header.
40	Batch Number ID	X(01)	Constant "W".
41-56	Employee Last Name	X(16)	Last name of the employee.
57-69	Employee First Name	X(13)	First name of the employee.
70-78	Employee Gross Wages	9(07)V99	Total quarterly gross wages for employee, right-justified and zero-filled. This must be numeric, and it may be all zeros.
79-86	Quarter End Date	9(08)	End date of the quarter being reported in MMDDYYYY format. YYYY is the year with the century. For example, the quarter end date for 2Q 2006 is 20060630.
87-140	Reserved	X(54)	Reserved for UIA. Fill with spaces.

Keypunch Contractor File Layout

DLEG/Agency 1 – Unemployment Insurance Agency  
Forms 1402 and 1017 – Quarterly Wage Detail Reports

\$96.60	x	7068	=	\$682,768.80
Cost/1000		Units of 1000		Annual Cost
\$682,768.80	x	3	=	To be determined *
Annual Cost				3 Year Cost



## UIA DATA VALIDATION PROCESS OF TRANSFERRED DATA

**Web Validations: Quarterly Wage File Format(140 byte records)—**

The following validations will be done on files that are submitted via the Web site. If the file does not pass these validations, it is rejected and the user is informed via an email.

**General**

- Is the record length correct?
- Is the record type recognizable?

**Record type Employer Header**

- Account number is a valid format (ten digits)
- Account number exists on the Oracle IEVS database
- Year/Quarter is valid format (five digits)
- Quarter number is 1,2,3,4
- Year/Quarter must be one of the prior eight calendar quarters
- Batch number has valid format
- Account number and Year/Quarter not already processed in this file
- Date Received is a valid date
- Number of records is all digits
- Number of records value is zero or greater
- Total wages is all digits
- Total wages value is zero or greater

**Record type Employee Detail**

- Account number is a valid format (ten digits)
- Account number is the same as in the last Header record encountered
- Year/Quarter is valid format (five digits)
- Quarter number is 1,2,3,4
- Year/Quarter is the same as in the last Header record encountered
- SSN is all digits
- SSN is SSA compliant (can't start with 000; can't have 00 as digits 4-5)
- Last name is not blank
- Gross wages is all digits
- Gross wages is zero or greater
- Family status is F or blank

**At each Header break, or at EOF**

- Number of employees declared on Header equals total from detail
- Total wages declared on Header equals total from detail

**E013 – File Submission Rejected – Vendor Keypunch**

This email is sent by the EFS validation routines when the File Submission Type is Vendor Keypunch(140 byte records).†

Subject: File Rejected

The "Vendor Keypunch (140 byte records)" you submitted on 01/15/2005 8:54pm has been rejected because of the errors listed below. Please correct the errors and resubmit the file before the filing due date.

Unrecognized record identifier encountered at column 1.  
Unexpected error validating. This is usually caused when record identifiers are encountered out of order, or if key information is missing or badly scrambled.  
File is empty.  
Employer Header: record size (n) too small to hold required information.  
Employer Header: Invalid UA Employer Account Number.  
Employer Header: Filing user does not have authority to file for this account.  
Employer Header: Invalid filing period quarter. Valid values are 1, 2, 3 and 4.  
Employer Header: Invalid Batch Number format.  
Employer Header: Invalid Date Received given.  
Employer Header: Invalid filing period year. Year must be four digits.  
Employer Header: Actual gross wages total does not equal the stated gross wages total.  
Employer Header: Actual employee record count does not equal the stated employee count.  
Employer Header: "Number of Employees" value is not a valid number.  
Employer Header: "Number of Employees" value must be zero or greater.  
Employer Header: Invalid total wages number (must be all digits and cannot be less than zero).  
Employer Header: Total wages value cannot be less than zero.  
Employee Detail: record size (n) too small to hold required information.  
Employee Detail: Record must follow an Employer Header record or another Employee Detail record.  
Employee Detail: Account number not the same as reported on the Employer Header.  
Employee Detail: Filing quarter not the same as reported on the Employer Header.  
Employee Detail: Filing quarter not the same as reported on the Employer Header.  
Employee Detail: Invalid SSN format encountered.  
Employee Detail: SSN does not conform to Social Security Administration rules.  
Employee Detail: Duplicate SSN encountered.  
Employee Detail: Last name must have a value.  
Employee Detail: Invalid gross wages number (must be all digits and cannot be less than zero).  
Employee Detail: Family flag must be "F" or a space.  
Employer Header: Filing period cannot be later than the current quarter.  
Employer Header: Filing period cannot be more than eight quarters in



the past.

This email was automatically generated by our system. Should you have any questions please email us at [wagereporting@michigan.gov](mailto:wagereporting@michigan.gov).

The description of the submission comes from `FileSubmissionTypes.SubmissionDesc` and the submission date/time comes from `FileSubmissionLog.SubmittedOn`.

We have shown every possible error that could appear in an email. In the actual emails, only the appropriate errors are shown.

Most error messages are prefixed with "Error on line *XX*" to help the employer find the problem. If an error occurs on multiple lines, an error message may be repeated. Only the first 50 errors are shown.

Emails of this type save a row in the `FileSubmissionEmails` table so that the system can track emails relating to a given file submission.



**Michigan Department of Labor & Economic Growth  
Bureau of Labor Market Information & Strategic Initiatives  
Statement of Work for Data Entry Services**

I. Standard of Performance

A. Pickup and Delivery

1. The Contractor shall be responsible for pickup and delivery.
2. Source document batches and key tapes shall be picked up from and returned to:

Michigan Department Labor & Economic Growth (DLEG)  
Bureau of Labor Market Information & Strategic Initiatives (LMISI)  
Cadillac Place, Suite #9-100  
3032 West Grand Boulevard  
Detroit, MI 48202  
(313) 456-3100

3. The Contractor will not be permitted to deliver or pickup work between 3:30 p.m. and 9:30 a.m.
3. Work picked up should be completed and returned to LMISI according to the following schedule.

Job	Pick Up	Delivery Time	On-Site Contact
Survey Processing And Management (SPAM) (Monthly)	<b>9:30 a.m. 3:30 p.m.</b>	<b>Next Day 3:30 p.m.</b>	<b>Geoffrey Okorom (313) 456-3129</b>
Quarterly Census of Employment Wages (QCEW) (Quarterly)		<b>3 Days 9:30 a.m.</b>	<b>Mike Williams (313) 456-3071</b>

5. All batches will be pre-numbered by LMISI. All work picked up as a single batch must be returned as such.

B. Security and Control

1. The Contractor is completely responsible for maintaining the confidentiality, safety and security of all source documents placed in the Contractor's custody, as well as all output data (media) produced. Privacy Act(s) protecting private employers and claimants are statutes of law which apply to these data while in the hands of the Contractor. The source documents and output media will be the Contractor's responsibility from pickup to delivery. The Contractor shall be fully liable to LMISI for any and all costs required to reconstruct all records lost or damaged, for any reason, while in the Contractor's possession.

LMISI requires adequate and appropriate confidentiality provisions in all contracts awarded that involve the disclosure of any confidential information orally, in writing, or in any other form, in whole or in part, to the Contractor. In particular, provisions and/or adherence to the following by the Contractor is required:



- a. Contractor officers and employees must adhere to the Confidential Information Protection and Statistical Efficiency Act (CIPSEA) (see Attachment I) and all applicable Federal laws regarding the handling of all confidential statistical data and also must adhere to the U.S. Department of Labor, Bureau of Labor Statistics (BLS) confidentiality policy as stated in Commissioner's Order 1-06 (see Attachment II);
  - b. Access to the confidential information must be limited to Contractor officers and employees who have been designated as agents to work directly on the contract, who have signed a BLS Agent Agreement in advance and have taken an annual confidentiality training module as provided by the BLS and administered by the State;
  - c. Reliability of personnel;
  - d. No subcontracting permitted;
  - e. Right to inspection of Contractor facilities;
  - f. Immediate notification by the Contractor to the State and the BLS upon discovering any breach or suspected breach of security; any disclosure of the confidential information not authorized by the contract; or upon receipt of any legal, investigatory, or other demand for access to the confidential information in any form;
  - g. Right of termination for failure to comply with security requirements;
  - h. Right to review outputs produced from confidential information prior to release or publication;
  - i. Return or destruction of the confidential information upon termination of the contract; and
  - j. Contractor shall not, by action or inaction, cause the State to violate the terms of this agreement.
2. In addition, minimum security and control arrangements must include, but are not limited to, the following:
- a. Transport of the source documents and output media between LMISI and the Contractor' place of business must be in a completely enclosed and locked vehicle.
  - b. When not actually being processed, all source documents and output media are to be stored in locked, Underwriters Laboratory certified fire-resistant safes or cabinets.
  - c. All source documents and output media must be kept, at all times, in the Contractor's place of business as stated in the bid document and protected against inspection by persons not directly involved with the LMISI accounts. LMISI will call for delivery of media.
  - d. All source documents and output media must be physically protected at all times against loss or damage from any source or for any reason.
  - e. The Contractor's premises must be reasonably and adequately protected at all times by a working fire-protection system and burglar-alarm system.
  - f. The Contractor shall notify its employees of the above security and control requirements and obligations.
  - g. The Contractor's proposed security and control measures must be considered workable and acceptable by the State of Michigan.

C. Error Rate

The Bureau of Labor Market Information & Strategic Initiatives will continually review and evaluate errors. Error rates will be based on total characters in error divided by total characters keyed. Acceptable error limits are defined as follows:

Alphanumeric  
Verified .05%

Numeric  
Verified .05%

All keyed fields are to be verified. Error rates will be defined as characters on the keyed record differing from characters on the source document. This includes dropped characters, inserted characters and transpositions.



The State of Michigan will not pay the Contractor for work that is in error. Further, the State reserves the right to reprocess erroneous data at a site other than the selected Contractor's site, if time does not allow for having the work reprocessed by the Contractor. If erroneous data is reprocessed at other than the selected Contractor's site, the Contractor will be required to pay all direct and indirect costs incurred in having the error(s) corrected.

D. Questionable Data

Questionable data will be returned to LMISI in a separate package labeled "Questions." Forms with questionable data must be labeled with the date and batch number from which they were removed.

NOTE: Encoding instructions state that, except for the name fields, any data element that is questionable or incomplete is to be left blank or zero filled according to specifications.

E. Recording Media

1. Jobs must be returned to LMISI on a CD ROM. The CD must have an exterior label which indicates the group number and the batch number of the keypunched data which is included on the diskette. In producing the CD, the Contractor must maintain the group and batch sequence for each day as received from LMISI. Also, all data sent out as one group and/or batch must be returned as such. Partially completed group and/or batch data will not be accepted.
2. Correcting Records - Corrected records must not be placed anywhere on a compact disc (CD) other than inserted in their correct batch.
3. Retention - The Contractor must keep a copy of each CD ROM produced at the Contractor's place of business for a period of thirty (30) days in case LMISI requires work to be duplicated. Backup will be required for this period even after the contract expires or is canceled.
4. CD Supply - The Contractor must maintain a sufficient supply of CDs to enable LMISI to keep the returned CDs for up to three (3) weeks before releasing them to the Contractor.

F. The contract may be canceled by the State, without penalty, in less than 30 days for any of the following reasons:

1. Failure by Contractor to meet completion dates.
2. Failure by Contractor to pickup/deliver as required.
3. If Contractor subcontracts work without written permission.
4. If error rate exceeds limits prescribed.
5. Failure of Contractor to follow submitted security and recovery procedures.
6. If the data does not remain confidential.
7. If the Contractor overcharges.
8. If batch control sheets are not returned.
9. If Contractor fails to perform additional work within the limits.
10. If volume of work or available funding is no longer sufficient to justify the continuation of service.



- G. Bureau Contacts  
Rhonda Rhodes-Grant, Economic Manager  
Occupational Employment Statistics  
Or  
Michael Williams, Economic Manager  
Quarterly Census of Employment & Wages  
Bureau of Labor Market Information & Strategic Initiatives  
3032 W. Grand Boulevard, Suite 9-100  
Detroit, MI 48202  
(313) 456-3100 (main phone number)

## II. Processing Volume

Volume information is intended to indicate typical workloads. Estimates are intended to be informational only in order for the Contractor to better plan the keypunch operations activities

Annual processing volumes are in Appendix C, Bid Price Totals.

Various LMIS forms will be processed daily. However, the Contractor should not interpret the estimated work flow volumes as a guarantee of work on any day or as a guaranteed volume for any time period.

## III. Specifications

- A. Keying formats and output record layout examples are included.

SPECIFIC NOTE: All dollar amount fields in all transaction records must be zero filled if not greater than zero. Also, decimal points are not to be entered; "implied decimals" means the computer will consider the two right most places as cents in amount fields.

## IV. Contractor Responsibilities

- A. The Contractor will be responsible for pickup and delivery of source documents as set forth in the Standard of Performance. The cost of pickup and delivery must be included in the cost for each of the forms.

- B. The daily time schedule for pickup and delivery set forth in the Standard of Performance must be strictly observed.

The quotation must include all costs. It will be the only basis for billing, there will be no other charges. For example, such things as CDs, pickup and delivery, conversions, cost of billing, physical labels or tapes will be inclusive in the total cost.

The individual prices per 1,000 forms or output records must be identified on the price quotation in Appendix C.

- C. A keystroke is defined as a depression of a machine key by a human operator. This includes depression of a key for the entry of a digit or character, or any control key.

- D. Invoices submitted to LMIS for payment must reflect all elements of Appendix B or such alternate as approved by LMIS. Contractor invoices will be processed and paid through normal State payment procedures and cannot be handled in a separate or different manner. Contractor invoices are to be submitted for no less than a two calendar week period and must be submitted within 30 days of the completion of a work period unless specifically pre-approved by LMIS.

- E. The Contractor will be responsible for LMIS's costs to reconstruct documents or material lost or damaged while the material is in the Contractor's possession. Details of reconstruction costs will be supplied to the Contractor.

- F. The State will not pay the Contractor for work that is in error (beyond the limit prescribed) and will deduct from the Contractor's invoice costs incurred by LMIS to correct errors up to the Contractor's total billing price of the batches in error.



INVOICE REPORT

Period Covered:

<u>Form #</u>	<u>Batch #</u>	<u>Date Received</u>	<u>Date Processed</u>	<u>Forms</u>	<u>Total Cost</u>
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TOTAL

NOTE: Substitute invoice may be used if it contains all items and is approved by the LMISI *Bureau Contact Personnel*.



Price Totals  
Summary Sheet

<u>Form Number/Name</u>	Total	Estimated
	<u>Annual # of Forms/Records</u>	<u>Price Per 1,000 Forms</u>
3. UPDATES TO ES-202 (DAILY)		
<u>NEW RECORD</u> INDUSTRY VERIFICATION STATEMENT, 65	5,000	\$ 65.68/M
<u>SOURCE FORM</u> BLS 3023VS		
<u>NEW RECORD</u> INDUSTRY VERIFICATION STATEMENT, 64	5,000	\$ 65.68/M
<u>SOURCE FORM</u> BLS 3023VS		
<u>NEW RECORD</u> INDUSTRY VERIFICATION STATEMENT, 63	5,000	\$ 65.68/M
<u>SOURCE FORM</u> BLS 3023VS		
<u>NEW RECORD</u> INDUSTRY VERIFICATION STATEMENT, VARIABLE	20,000	\$ 65.68/M
<u>SOURCE FORM</u> BLS 3023VS		
<u>NEW RECORD</u> INDUSTRY VERIFICATION STATEMENT, 64 VER. STAT. ACCOUNT	5,000	\$ 65.68/M
<u>SOURCE FORM</u> BLS 3023VS		
<u>NEW RECORD</u> INDUSTRY VERIFICATION STATEMENT, 42	5,000	\$ 65.68/M
<u>SOURCE FORM</u> BLS 3023VS		
<u>NEW RECORD</u> INDUSTRY VERIFICATION STATEMENT, 41	5,000	\$ 65.68/M
<u>SOURCE FORM</u> BLS 3023VS		



3. UPDATES TO ES-202 (DAILY) CONTINUED

<u>Form Number/Name</u>	Price Totals Summary Sheet	
	Total	Estimated
	<u>Annual # of Forms/Records</u>	<u>Price Per 1,000 Forms</u>
<u>NEW RECORD</u> INDUSTRY VERIFICATION STATEMENT, 31	20,000	\$ 65.68/M
<u>SOURCE FORM</u> BLS 3023VS		
<u>NEW RECORD</u> INDUSTRY VERIFICATION STATEMENT, 31-Multi	5,000	\$ 65.68/M
<u>SOURCE FORM</u> BLS 3023VM		
<u>NEW RECORD</u> INDUSTRY VERIFICATION STATEMENT, 41-Multi	5,000	\$ 65.68/M
<u>SOURCE FORM</u> BLS 3023VM		

4. MISCELLANEOUS KEY-ENTRY\*

Alpha-Numeric Keystrokes (Includes cost of full verification)	2,500,000	\$1.86/Keystroke
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NOTE: "As Needed."



## WORK STATEMENT FOR THE DEPARTMENT OF COMMUNITY HEALTH

The State of Michigan, Department of Community Health (MDCH) requires high quality, reliable, data encoding services for a 3-year period. The service requires encoded data to be placed on tapes, diskette, or transmitted electronically as determined by a MDCH request. All services provided will be billed to the State on price per thousand keystrokes on data encoded documents.

This Contract provides data entry support for Vital Records (VR) in the areas of deaths, marriages, and divorces. Also provide back-up support to the MDCH data entry area on other applications dependant upon timely completion and a disaster recovery site for critical data entry applications. Seasonal fluctuations in workload cannot be currently accommodated in-house. Systems most likely for performance by a data entry contractor are identified herein.

### STANDARD OF PERFORMANCE

1. Location – The data entry work will be performed on-site at the Contractor's offices.

The State reserves the right to inspect the Contractor's site, the work in-progress and conditions under which it is being performed. Security and recovery policies, procedures and plans must be in existence at the Contractor site and must assure protection of the documents and information derived from the documents throughout processing.

2. Data Confidentiality

The Contractor must ensure the confidentiality of these data through all phases of handling and processing the records and information. All staff assigned to work on the records must pass criminal background check and be trained on the confidentiality of the information and on the prohibited uses of these data. Each employee with access to the forms, data files or other information must receive and sign a confidentiality assurance provided or approved by the Department prior to being permitted access to these records and/or data.

3. Each batch is to be accompanied by a "Batch Control Form" requesting a completion time and date.

If a batch is received, without a Batch Control Form, that batch should not be key-entered and should be returned immediately to the Department of Community Health, Division of Vital Records and Health Statistics.

All work performed as one batch must be returned as such. Each batch will be pre-number by MDCH.

4. Error Rate – Error rate will be based on total characters in error divided by total characters keyed. Acceptable error limits are defined as follows:

<u>Alphanumeric</u>	<u>Numeric</u>
Verified .05%	Verified .05%
Not Verified .125%	Not Verified .5%

Errors will be defined as characters on the keyed record differing from characters on the source document. This includes dropped characters, inserted characters and transpositions.

5. All magnetic tapes used by Contractor when submitting keyed data to MDCH must be unlabeled and in EBCDIC code and will be provided by MDCH.

All diskettes, when requested by MDCH, used by the Contractor for submitting keyed data must be in ASCII format. Diskettes will be provided by MDCH. Electronic data transfer will utilize the State of Michigan Data Exchange Gateway as the delivery method of this data.

6. Turnaround time for delivery of encoded data is specified on the batch control card or transfer memo by document type.



7. For billing purposes the Contractor may bill the State one (1) keystroke for each character on the source document that is placed on the data file through the depression of a machine key by a human operator. The Contractor may bill the State one (1) additional keystroke for each character placed on the data file if that character is part of a field that is verified. The billing must be accompanied by a billing report that contains information for each batch as described in Appendix 1. The State will not accept billings that include counts for non-required spaces, blanks, control characters, or function keys. For "per form" billings, the Contractor may bill the State one form completed.

### PROCESSING VOLUME

The following page contains approximate annual keystroke average to be keyed on an ongoing monthly cycle of data entry jobs. These data are most likely estimates for ongoing production volume by a data entry contractor. In addition there may be short special project data entry jobs that will not last the duration of the contract but the fluctuation in workload cannot be handled in-house. Actual workload transferred to the contractor will vary depending on seasonal demands.

The vital records data entry is considered a word processing job as data must be captured as upper and lower case letters. All punctuation and special characters must be keyed exactly as on the documents.

All figures indicated regarding average keystrokes per document or annual document volumes are estimates based on the most recent historical data available. The State is not obligated to purchase services in these, or any other, volumes, all available work shall be placed with the awarded contractor during the contract period.

Long term the workload could vary dependant upon the Department's strategies for distributed data entry, staff turnover and new systems development. The Department does not guarantee a specific workload. The Contractor is not required to provide staffing in the absence of a workload.

### FUTURE NEEDS

It is very likely that during the term of this Contract that new forms will be designed, existing forms will be changed or discontinued and other current systems will be added to the workload for entry by the Contractor. The Contractor will be expected to encode new or changed forms at the bid price per thousand keystrokes.

### CONTRACTOR RESPONSIBILITIES

1. The Contractor will be responsible for receipt and delivery of source document as set forth in the Standard of Performance.

2..For categories 8, 9 and 10:

A keystroke is defined as a depression of a machine key by a human operator for the capture of data. This includes depression a key for the entry of a digit or character and any control key.

The cost per 1,000 keystrokes will be the only basis for billing and payment. There will be no other charges. For example, such things as supervisory or travel time, cost of billing, non-required spaces, blanks, control characters, function keys, etc.

The individual price per 1,000 (one thousand) actual keystrokes must be identified on the price sheet – Appendix 3. Categories listed as "per form" must be priced on a per form basis.

3. The invoice submitted to MDCH for payment must be in a form or format approved by MDCH. Contractor invoices will not be processed in a separate or different manner. Contractor invoices are to be submitted within 30 days of the completion of a work period unless specifically pre-approved by MDCH.



DAY TO DAY ADMINISTRATOR

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MDCH CONTRACT COMPLIANCE INSPECTOR

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Expected KEYSTROKES by Record Type

	<b>DEATHS</b>	<b>DIVORCE</b>	<b>MARRIAGE</b>
<b>Records</b>	<b>86,081</b>	<b>44,500</b>	<b>60,163</b>
<b>Key strokes</b>	<b>78,637,568</b>	<b>13,375,610</b>	<b>15,631,164</b>

<b>Description</b>	<b>Estimated Vol. of Keystrokes Records*</b>	<b>Estimated Keystrokes</b>	<b>Rate/1,000 Cost</b>	<b>Total</b>
<b>Death Records</b>	<b>86,081</b>	<b>78,637,568 x</b>	<b>\$ 2.93</b>	<b>= \$ 230,408.07</b>
<b>Divorce Records</b>	<b>44,500</b>	<b>13,375,610 x</b>	<b>\$ 1.86</b>	<b>= \$ 24,878.43</b>
<b>Marriage Records</b>	<b>60,163</b>	<b>15,631,164 x</b>	<b>\$ 1.86</b>	<b>= \$ 29,073.97</b>

\*Quantities indicated are estimates based on the information available at the time of issue of this Contract. The State does not guarantee exact quantities for any given time. Payment will be made of actual quantities only.



## Work Statement for the Department of Environmental Quality

### **PROBLEM STATEMENT**

The Department of Environmental Quality (DEQ), Waste and Hazardous Materials Division (WHMD), tracks all hazardous waste generated in Michigan from "cradle to grave". A multi-part Uniform Hazardous Waste Manifest form is prepared and submitted when waste is generated, and, if the waste has been transported, a copy of the form is signed and submitted after the waste has reached its destination. WHMD receives approximately 184,000 of these forms per year with a fixed number of fields that need to be encoded, depending on whether the form is being submitted as the waste is generated, or as it is delivered to a designated facility.

Encoded information returned to the DEQ must be compatible with computer applications Microsoft Windows and Microsoft Access.

### **OBJECTIVES**

The objectives of this Contract are:

1. To secure high quality, reliable data encoding services.
2. To obtain encoded data on diskette.
3. To receive encoded data within the requested turnaround time.
4. To handle the fluctuations in volumes, smoothly without delays.

### **TASKS**

The following is a preliminary analysis of the major tasks involved for developing the end product of this project. (See Appendix 2 for specifications and sample form).

1. Encode approximate annual keystrokes of 41,000,000.
2. Process documents within 5 day turnaround time, unless prior written approval to deviate from this schedule is received in writing or specified in advance on a batch control care and transfer memo by DEQ. (See Appendix 1 Data Entry Controls)
3. All work shall be completed by a pre-arranged date.
4. Contractor shall pick up data when called and deliver batches as finished within turnaround time per No. 2 above.
5. Forms may be changed, deleted and added to this contract. The Contractor shall program any new forms and reprogram existing forms at bid price per thousand keystrokes.

### **PROJECT CONTROL AND REPORTS**

1. Error Rate - Error rate will be based on total keystrokes in error divided by total keystrokes keyed. Acceptable error limits are:

	Verified	Not Verified	
Alphanumeric	1%		2%
Numeric	1%		2%

Errors shall be defined as characters on the keyed record differing from characters on the source document. This includes dropped characters, inserted characters, and transpositions. Abbreviations are the exceptions as noted on the key specifications.



Diskettes created by the Contractor that contain parity errors or bad data must be recreated by the Contractor. The Contractor must be able to supply the DEQ with recreated diskettes for same day processing within 1 day after a phone request for recreation of the diskette is made.

DEQ reserves the right to request at any time proof of verification prior to transferring the encoded data to diskette. The Contractor must be able to supply DEQ with documents to support this.

NOTE: All total keystrokes on sample documents are the maximum each record can contain. This doesn't mean that each record will contain this amount, because not all fields are keyed or required.

2. Pickup and Delivery - Pickup of source documents and delivery of encoded data will be performed by the Contractor. The pickup and delivery point will be located within DEQ, lower level, Constitution Hall, 525 W Allegan, Lansing, Michigan between the hours of 8:00 a.m. and 4:00 p.m. The cost of pickup and delivery shall be included in the cost per thousand keystrokes. The DEQ will call the Contractor for pickup (approximately 2 times per week).

Failure to meet completion dates and/or any late delivery may be cause for cancellation of the contract.

Contractor must provide vehicle(s) to transport documents and encoded diskettes.

### 3. Batch Control

- a. All work picked up as one batch must be returned as such and in the same order the source documents were sent. Each batch will have a transmittal memo attached (Appendix 1).
- b. All diskettes used by Contractor when submitting keyed data to DEQ will be supplied by DEQ and must ONLY be used for encoded work for DEQ.
- c. The Department of Environmental Quality will provide the Contractor with index numbers and Program Cost Accounts (PCA) for all jobs. The Contractor will bill using the index numbers and PCA listed.

### 4. Billing

- a. DEQ will not accept any bill for incorrectly keyed test data.
- b. For billing purposes the Contractor shall bill the State one keystroke for each character on the source document that is placed on the key diskette. The Contractor shall bill the State one additional keystroke for each character placed on the key diskette if that character is part of a field that is to be verified. The state will not accept billings that include counts for non-required spaces, non-required blanks, control characters, or function keys.
- c. The invoice submitted to DEQ for payment shall include batch numbers, the date the job was returned, total keystrokes per batch, cost and total due. Contractor will also provide a summary data report with the invoice that includes the batch number, the number of records per batch, and the number of keystrokes per batch.

Contractor invoices shall be submitted for not less than two calendar week periods unless specifically pre-approved by DEQ and shall include only billing for work completed within the two-week time frame of the bill.

- d. The Contractor shall be responsible for any cost incurred by DEQ to reconstruct documents or material lost or damaged while in the Contractor's possession. Details of reconstruction costs will be supplied to the Contractor.
- e. The Contractor shall be responsible for all diskette parity errors and must recreate the data at no additional charge.



- f. The State will not pay for any of the Contractor's work that is in error and will deduct from the Contractor's invoice costs incurred by DEQ to correct the error, up to the Contractor's total billing price of the batches in error.

5. SPECIFICATIONS

- a. Batch control specifications are shown on Appendix 1.
- b. Current key specifications for the Department of Environmental Quality jobs are shown on Appendix 2.
- c. The quotations for keypunched jobs must be in dollars per 1,000 keystrokes. These costs will be the only basis for billing and payment, there will be no other charges. Backup diskettes, pickups and deliveries, conversions, or new job programming, cost of billing, additional equipment costs needed to perform and complete any job, additional clerical staff and equipment to number documents per specifications must be included in your bid price. (See Appendix 3 for sample Bid Sheet)
- d. During the life of the contract, new forms may be designed and existing forms may be changed or discontinued. The Contractor shall program any new forms and reprogram existing forms at the bid price per thousand key strokes. These changes or additions must be done without any delays in the production of the data entry jobs. (See Appendix 4 for Sample Form)



**DATA ENTRY CONTROLS**

- A. The Contractor will receive a memo from the DEQ containing the following information:
  - 1. TO - Contractor's name.
  - 2. FROM - Contractor's contact in the DEQ.
  - 3. SUBJECT: Request to transfer keyed data.
  - 4. DATE OF MEMO - Date memo was written.
  - 5. MESSAGE - The user will state the batch that they want transferred to one diskette. Also the user will state the name of his/her job.
  - 6. NEED BY - This is the date the user needs the diskette and the batches back to the DEQ.
  
- B. After a diskette has been created from the stated batches, the following should be done:
  - 1. The Contractor will then return the memo along with the created diskette and keyed batch to DEQ by the needed date.



### Import Specifications – Generator Manifests Header File (\*.xmh)

Field Name	Data Type	Start	Width	Represents
Microfilm_Num	Text	1	8	Microfilm number
Gen_EPA_4	Text	9	2	Generator ID (first two alpha characters)
Gen_EPA_5	Text	11	1	Generator ID (third character)
Gen_EPA_6	Text	12	9	Generator ID (characters 4-12 numeric)
Man_Doc	Text	21	12	Manifest tracking number (nine numeric digits followed by three alpha characters)
6_EPA_ID_1	Text	33	2	First Transporter ID (first two alpha characters)
6_EPA_ID_2	Text	35	1	First Transporter ID (third character)
6_EPA_ID_3	Text	36	9	First Transporter ID (characters 4-12 numeric)
10_EPA_ID_1	Text	45	2	Designated Facility ID (first two alpha characters)
10_EPA_ID_2	Text	47	1	Designated Facility ID (third character)
10_EPA_ID_3	Text	48	9	Designated Facility ID (characters 4-12 numeric)
16_Date	Text	57	8	Generator date signed (MMDDYYYY)
Import_Flag	Text	65	1	Import to US ("Y" = Yes, "N" = No)
Export_Flag	Text	66	1	Export from US ("Y" = Yes, "N" = No)

### Detail File (\*.xmd)

Field Name	Data Type	Start	Width	Represents
Man_Doc	Text	1	12	Manifest tracking number (nine numeric digits followed by three alpha characters)
Lot	Text	13	3	Lot (1,2,3,4, etc.)
UN/NA	Text	16	6	UN/NA code (Two letters followed by four numbers) or 'ORM' followed by a letter
Container_No	Text	22	4	Container number (must always be greater than zero)
Container_Type	Text	26	2	Container Type (DM = metal drum, barrels, kegs; DW = wooden drums, barrels, kegs; DF = fiberboard or plastic drums, barrels, kegs; DT = dump truck; YP = tanks portable; TT = cargo tanks (tank trucks); TC = tank cars; CY = cylinders; CM = metal boxes, carton, cases (including roll-off); CW = wooden boxes, cartons, cases; CF = fiber or plastic boxes, cartons, cases; BA = burlap, cloth, paper / plastic bags)
TotQty	Text	28	6	Total Quantity for Lot
Unit	Text	34	1	Unit of Measurement ("G" = gallons, "P" = pounds, "Y" = cubic yards, "T" = tons, "K" = kilograms, "L" = liters, "M" = metric tons, "N" = cubic meters)
Waste_1	Text	35	10	Waste Code #1
Waste_2	Text	45	10	Waste Code #2
Waste_3	Text	55	10	Waste Code #3
Waste_4	Text	65	10	Waste Code #4
Waste_5	Text	75	10	Waste Code #5
Waste_6	Text	85	10	Waste Code #6
18_EPA_ID_15	Text	85	2	Alternate Facility (first two characters alpha)
18_EPA_ID_16	Text	87	1	Alternate Facility (third character)
18_EPA_ID_17	Text	88	9	Alternate Facility (characters 4-12 numeric)



**Import Specifications – TSD Manifests  
Header File (\*.xmh)**

Field Name	Data Type	Start	Width	Represents
MicroNumber	Text	1	8	Microfilm number
1_Gen_ID_5	Text	9	2	Generator ID (first two alpha characters)
1_Gen_ID_6	Text	11	1	Generator ID (third character)
1_Gen_ID_7	Text	12	9	Generator ID (characters 4-12 numeric)
Man_Num	Text	21	12	Manifest tracking number (nine numeric digits followed by three alpha characters)
8_EPA_ID_9	Text	33	2	Last Transporter ID (first two alpha characters) could be on the continuation sheet
8_EPA_ID_10	Text	35	1	Last Transporter ID (third character)
8_EPA_ID_11	Text	36	9	Last Transporter ID (characters 4-12 numeric)
10_EPA_ID_12	Text	45	2	Designated Facility ID (first two alpha characters)
10_EPA_ID_13	Text	47	1	Designated Facility ID (third character)
10_EPA_ID_14	Text	48	9	Designated Facility ID (characters 4-12 numeric)
Discr_Qty_Flag	Text	57	1	Quantity Discrepancy ("Y" = Yes, "N" = No)
Discr_Type_Flag	Text	58	1	Type Discrepancy ("Y" = Yes, "N" = No)
Discr_Residue_Flag	Text	59	1	Residue Discrepancy ("Y" = Yes, "N" = No)
Discr_Partial_Rej_Flag	Text	60	1	Partial Rejection Discrepancy ("Y" = Yes, "N" = No)
Discr_Full_Rej_Flag	Text	61	1	Full Rejection Discrepancy ("Y" = Yes, "N" = No)
Man_Ref_Num	Text	62	12	Manifest Reference Number number (nine numeric digits followed by three alpha characters)
18_EPA_ID_15	Text	74	2	Alt. Designated Facility ID (first two alpha characters)
18_EPA_ID_16	Text	76	1	Alt. Designated Facility ID (third character)
18_EPA_ID_17	Text	77	9	Alt. Designated Facility ID (characters 4-12 numeric)
18_Date	Text	86	8	Alternate TSD sign date (MMDDYYYY)
20_Date	Text	94	8	TSD sign date (MMDDYYYY)

**Detail File (\*.xmd)**

Field Name	Data Type	Start	Width	Represents
Man_Doc	Text	1	12	Manifest tracking number (nine numeric digits followed by three alpha characters)
Lot	Text	13	3	Lot (1,2,3,4, etc.)
TotQty	Text	16	6	Total Quantity for Lot
Unit	Text	22	1	Unit of Measurement ("G" = gallons, "P" = pounds, "Y" = cubic yards, "T" = tons, "K" = kilograms, "L" = liters, "M" = metric tons, "N" = cubic meters)
Waste_1	Text	23	10	Waste Code #1
Waste_2	Text	33	10	Waste Code #2
Waste_3	Text	43	10	Waste Code #3
Waste_4	Text	53	10	Waste Code #4
Waste_5	Text	63	10	Waste Code #5
Waste_6	Text	73	10	Waste Code #6
Mgmt_Code	Text	83	4	Mgmt Method Code



Description	Est. Vol.*	Round to Nearest 1,000	Rate/1,000 Keystrokes	Total Cost
Regular Jobs (5 day turnaround)	40,400,000	41,000 x	\$ 1.86 =	\$ 76,260.00

\*Quantities indicated are estimates based on the information available at the time of issue of this Contract. The State does not guarantee exact quantities for any given time. Payment will be made of actual quantities only.



## 1.102 OUT OF SCOPE – RESERVED

## 1.103 ENVIRONMENT - RESERVED

## 1.104 WORK AND DELIVERABLES

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

The Contractor must perform work according to the following as well as the individual agency work statements.

The State reserves the right to visit the Contractor's premises at any time the work is being performed and inspects the work and conditions under which it is being performed. Security and recovery policies, procedures, and plans must be demonstrable in existence and assure protection of transactions in process.

Contractor will provide Data Entry Services, as needed, throughout the state. Bidder shall describe which areas in Michigan where they are able to provide services.

## 1.2 Roles and Responsibilities

### 1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

The Contractor shall provide data entry workers who possess demonstrated ability to:  
Utilize skills needed to perform data entry duties satisfactorily

1. Enter data rapidly and accurately and prepare clear and accurate documents as needed.

Contractor will provide data entry workers who possess demonstrated ability to:

- Utilize skills to enter data rapidly and accurately and prepare clear and accurate documents as needed.
- Utilize skills to respond in a positive and effective manner to corrective feedback provided by State agencies.

2. Respond in a positive and effective manner to corrective feedback provided by state agencies.  
Contractor anticipates utilizing 36 full-time data entry operators.

The Contractor shall guarantee that each employee

1. Will protect the confidentiality of all information provided them in order to perform their assignments; have an understanding of personal information laws and appropriate data handling practices.

Contractor will protect the confidentiality of all information provided by the State agencies.

2. Has adequate experience

Contractor will provide data entry workers who possess demonstrated ability to:

- Utilize skills to enter data rapidly and accurately and prepare clear and accurate documents as needed.
- Utilize skills to respond in a positive and effective manner to corrective feedback provided by State agencies.

3. Has necessary equipment

Contractor maintains a local area network consisting of the following equipment:

- Compaq Server – Proliant ML350 with a Windows operating system
- Sony AIT Tape b/u with Backup Exec bundle
- Powerchute Plus UPS System
- 12 Compaq Deskpro EN Workstations
- Kodak 3500 Scanner
- Printer



The Contractor shall

1. Protect the confidentiality of all information provided by the state agencies

All operations are enclosed in a single suite of offices with limited and monitored access. The exterior door is equipped with a security combination lock. Fire alarms are strategically placed for quick access and the building has an alarm system and fire hoses which cover each room. Contractor is bonded and insured against loss and all work-in-process is constantly monitored for proper handling. Source documents and all paperwork including output media are maintained in an area controlled and accessed only by our supervisory staff. Only those documents required for actual data entry are distributed to the workstations for processing. There are fireproof cabinets specifically for storing State work while it is not being worked on. All work is closely monitored during phases of batching, data entry, generating output and delivery. All company vehicles used for pickup and delivery are completely enclosed and locked.

2. The Data Entry Manager, Supervisor and Courier providing services under this Contract must complete the Confidentiality Training required by the U.S. Department of Labor – Bureau of Labor Statistics. Training will be taken on line at: <https://blsconfidentialitytraining.bls.gov/>. Please reference Attachments I, II, III and IV for this requirement. In the event that the current personnel in these positions change, the person who is hired for these positions must complete the required training within 30 days of placement.

The Contractor shall provide a representative responsible for supervision over all services rendered under the State Contract.

1. This representative shall maintain contact with the representative(s) of the state agencies.
2. This representative will provide the state agencies with a comprehensive listing of all work received by the Contractor in a timely manner as set forth by the state agencies. This listing will include any identifying information assigned by the Contractor for the purposes of tracking. In addition, this listing will include the data workers name, any other identifying number and the work type.

President – Operates as Chief Executive Officer. Total responsibility for all aspects of the company. Total responsibility for overseeing management of each department of the company. Makes company policy and ensures company-wide compliance.

General Manager – Liaison between the company and all customers. Ensures that proper communication exists and that all relevant issues are resolved. Works on daily basis to ensure staff needs are provided. Oversees operations to insure that deliverables are released in a timely manner.

Data Entry Supervisor – Ensures the availability of adequate levels of support for all levels of Data Entry Operators on their shift. Causes the training level of all Data Entry Operators to be at the required level to maximize performance. Maintains order and discipline in the department. Ensures proper processing of work through all phases of production. Sets priority for all data entry work. Specific duties follow:

1. Participates in and recommends personnel actions.
  2. Maintains a thorough knowledge of all current production jobs.
  3. Monitors the Data Entry staff.
  4. Reviews backup/recovery procedures.
  5. Monitors work into and out of the Data Entry area.
  6. Monitors program and code creation.
- Monitors work to be picked up and delivered.

#### 1.202 State Staff, Roles, and Responsibilities

Each using state agency Contract Compliance Inspector (CCI) is listed in Section 2.401.

#### 1.203 Other Roles and Responsibilities – Not Applicable – Does not Apply



### 1.3 Project Plan

#### 1.301 Project Plan Management

Each state agency will be responsible for developing a project plan with the Contractor for those items not listed in scope of work.

#### 1.302 Reports

The Contractor, upon request, shall provide reports to the Contract Administrator (CA) listed in Section 2.014 with the following information:

- A comprehensive list of projects, sorted by individual state agencies.
- Number of entries per thousand, per agency, project, and or form.

The Contractor may submit the reports in a non-PDF electronic format, such as Excel, via email to the Contract Administrator.

Reports shall be provided at no cost to the State

### 1.4 Project Management

#### 1.401 Issue Management

Contractor has designated its key personnel as responsible for the Project Issue Management Process.

Key personnel will develop a project issues log to record noted items. All members of key personnel will be responsible for ongoing additions to the log. The log will be jointly reviewed on a regular basis, required actions defined, actions assigned with resolution dates and follow up on prior items. Key personnel can be reached by telephone at the company offices.

#### 1.402 Risk Management

Contractor has written policies and procedures in the following areas:

- Encoding
- Back-ups and restoring from a back-up
- Plans for system failures
- Disaster recovery
- Security and follow up

Contractor has designated its key personnel as responsible for Risk Management.

Key personnel will develop a project risks log to record noted items. All members of key personnel will be responsible for ongoing additions to the log noted when reviewing and implementing the above policies and procedures. Responses to the noted risk will be logged. The responses include tolerate the risk, treat the risk, transfer or share the risk or terminate the risk. The resolution date and responsible personnel are to be noted. The log will be reviewed jointly on a regular basis. Key personnel can be reached by telephone at the company offices.

#### 1.403 Change Management

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

Requests for modification of the Contract, whether in scope, pricing, time frames, or a combination of thereof, must be submitted through the Department of Management and Budget, Purchasing Operations Services Buyer (see Section 2.014) for approval and processing, or denial (see Section 2.101, generally).



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. Contractors who provide products or services prior to the issuance of a Contract Change Notice by the DMB Office of Purchasing Operations, risk non-payment for the out-of-scope/pricing products and/or services.

### 1.5 Acceptance

#### 1.501 Criteria

Each state agency will specify acceptance criteria for their projects in Appendix A. Acceptance criteria shall also include, but is not limited to, the following:

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

1. Services must be presented as described in the SOW for various state agencies. Services must meet the agreed upon criteria between the state agency CCI and the Contractor.
2. The state agency CCI must approve the services in writing to the Contractor within two (2) weeks from the date of submittal.
3. Any rejection of services shall be in writing to the Contractor and shall outline the reasons for rejection. The Contractor will have one (1) week to submit a corrected version for approval.

#### 1.502 Final Acceptance - Reserved

### 1.6 Compensation and Payment

#### 1.601 Compensation and Payment

Contractor shall require no minimum order. Contractor agrees that the State is not obligated to purchase this service in any amount and that payment will be issued only for items ordered from individual State departments or agencies.

- A. Rates for services must include all related charges. No other charges may be billed separately.
- B. Prices shall be fixed and firm for the base contract period, listed in Section 2.032.
- C. The Contract payment terms are Net 45 days, per Section 2.092.
- D. The State will be billed on a monthly basis. All invoices should reflect actual work done and must be approved by the state agency CCI prior to payment. Travel time will not be reimbursed. Invoices shall be submitted directly to the individual state agency. The state agencies reserve the right to determine where the invoices should be mailed.

The Contractor shall require no minimum order. The Contractor agrees that the State is not obligated to purchase this service in any amount and that payment will be issued only for items ordered from individual state departments or agencies



1.7 Additional Terms and Conditions Specific to this SOW

1.701 Additional Terms and Conditions Specific to this SOW

- A. Security and Control – The Contractor is completely responsible for maintaining the confidentiality, safety and security for all source documents placed in the Contractor’s custody, as well as all output data (media) produced. Privacy Act(s) protecting private employers and claimants are statutes of law which apply to these data while in the hands of the Contractor. The source documents and output media will be the Contractor’s responsibility from pick up to delivery. The Contractor shall be fully liable to the State for any and all costs required to reconstruct all records lost or damaged, for any reason, while in the Contractor’s possession.
- B. Contractor Reliability – The work must be performed at the location(s) stated in the Contractor’s proposal.
- C. Additional Cancellation Terms – This Contract may be immediately canceled by the State, at its sole discretion, without penalty, for any of the following reasons:
1. Failure by the Contractor to meet completion dates
  2. Failure to verify all keyed fields.
  3. Failure by Contractor to pickup/deliver, as required.
  4. Failure to submit timely production scheduling.
  5. If Contractor subcontracts work without written permission.
  6. If a Contractor begins using an off-shore facility for this Contract work.
  7. If error rate exceeds limits prescribed.
  8. Failure of Contractor to follow submitted security and recovery procedures.
  9. If the data does not remain confidential.
  10. If Contractor fails to meet completion dates because of workload volume fluctuations.
  11. If volume of work or available funding is no longer sufficient to justify the continuation of service.
  12. Failure to perform to the guidelines in the “Standard of Performance.”
- D. Work Reviews - All Contractor data entry performance measurement software which tracks productive time and keystroke rates will be available for review by the State in satisfying billing requirements.
- E. Production Changes - If the Contractor proposes a production method that includes anything other than the standard key entry and verification, the Contractor must have the State’s written approval prior to implementation.
- F. Lost or Damaged Material - The Contractor will be responsible for any State costs to reconstruct documents or material lost or damaged while the material is in the Contractor’s possession. Details of reconstruction costs will be supplied to the Contractor.
- G. Errors - The State is not obligated to pay for Contractor’s work that is in error and will deduct from the Contractor’s invoice costs incurred by the State to correct the error up to the Contractor’s total billing price of the batches in error.

Further, the State reserves the right to reprocess erroneous data with a third party, if time does not allow for having the work reprocessed by the Contractor. If erroneous data is reprocessed by a third party, the Contractor will be required to pay all direct and indirect costs incurred in having the error(s) corrected.

- H. All Contractor employees or contracted personnel for this Contract will be required to submit a Bureau of Labor Statistics BLS AGENT AGREEMENT as required by BLS Internet Confidentiality training for BLS Agents (State employees and State-employed contractors who signed a BLS agent agreement) These agreements must be completed in accordance with the directions below:

Where: on the internet on a secure website : <https://blsconfidentialitytraining.bls.gov/>

Who: All individuals who signed BLS agent agreements or need to (e.g., new hires)

What: computer based training that takes on average 30 minutes. It involves reading the screens and answering some questions.



LMI Directors will track those who have done the training. When you first log on to the above website , enter your name for the name prompt and for the e-mail prompt enter: [waclawekr@michigan.gov](mailto:waclawekr@michigan.gov). There then should be a link to a "Status report" on right hand side of the screen. As individuals log on to the training website, their logon identities will be captured on to a spreadsheet that so you can monitor who has taken the course by linking to the status report. Bruce Weaver is your designee and will have access as well. He needs to use his e-mail of [weaverb1@michigan.gov](mailto:weaverb1@michigan.gov)

It will be the LMI Director's responsibility that new hires take the internet based training within four weeks of starting employment. As is already required, names of new hires are to be provided to the BLS Chicago Office so the agent agreement lists can stay current.

Once all required individuals have completed the training, the LMI Director will certify that appropriate steps have been taken.



## Article 2 – General Terms and Conditions

### 2.0 Introduction

#### 2.001 GENERAL PURPOSE

This Contract is for data entry services for various state agencies. Exact quantities to be purchased are unknown, however the Contractor will be required to furnish all such materials and services as may be ordered during the CONTRACT period. Quantities specified if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities. Orders for delivery will be issued directly to the Contractor by various State Agencies on the Purchase Order Contract Release Form.

#### 2.002 ISSUING OFFICE AND CONTRACT ADMINISTRATOR

This Contract is issued by Purchasing Operations, State of Michigan, Department of Management and Budget, hereinafter known as Purchasing Operations, for the Department of Labor and Economic Growth, Department of Community Health and Department of Environmental Quality hereinafter known as Department of Labor and Economic Growth, Department of Community Health and Department of Environmental Quality. Where actions are a combination of those of Purchasing Operations and the State agencies, the authority will be known as the State.

Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the commodities and/or services described herein. Purchasing Operations is the only office authorized to negotiate, change, modify, amend, alter, and clarify, etc., the specifications, terms, and conditions of the Contract. Purchasing Operations will remain the SOLE POINT OF CONTACT throughout the procurement process.

Contractor proceeds at its own risk if it takes negotiation, changes, modification, alterations, amendments, clarification, etc., of the specifications, terms, or conditions of the contract from any individual or office other than Purchasing Operations and the listed contract administrator

All communications covering this procurement must be addressed to contract administrator indicated below:

**Department of Management and Budget  
Purchasing Operations  
Attn: Lance Kingsbury  
2nd Floor, Mason Building  
P.O. Box 30026  
Lansing, Michigan 48909**

#### 2.003 NOTICE

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 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.

#### 2.004 CONTRACT TERM

The term of this Contract will be for one year and will commence with the issuance of a Contract. This will be approximately October 1, 2008, through September 30, 2009.

**Option.** The State reserves the right to exercise four one-year options, at the sole option of the State. Contractor performance, quality of products, price, cost savings, and the contractor's ability to deliver on time are some of the criteria that will be used as a basis for any decision by Purchasing Operations to exercise an option year.

**Extension.** At the sole option of the State, the contract may also be extended. Contractor performance, quality of products, price, cost savings, and the contractor's ability to deliver on time are some of the criteria that will be used as a basis for any decision by Purchasing Operations to exercise an option year.



Written notice will be provided to the Contractor within 30 days, provided that the State gives the Contractor a preliminary written notice of its intent to extend at least 60 days before the contract expires. The preliminary notice does not commit the State to an extension. If the State exercises this option, the extended Contract shall be considered to include this option clause.

**2.005 GOVERNING LAW**

This Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. By signing this agreement, Contractor consents to personal jurisdiction in the state of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

**2.006 APPLICABLE STATUTES**

The following statutes, rules, and laws are applicable to the performance of this contract; some statutes are reflected in the clauses of this contract. This list is NOT exhaustive.

MI Uniform Commercial Code (MIUCC) MCL 440. (All sections unless otherwise altered by agreement)

MI OSHA MCL §§ 408.1001 – 408.1094

Freedom of Information Act (FIOA) MCL §§ 15.231, et seq.

Natural Resources and Environmental Protection Act MCL §§ 324.101, et seq.

MI Consumer Protection Act MCL §§ 445.901 – 445.922

Laws relating to wages, payments of wages, and fringe benefits on state projects MCL §§ 408.551 – 408.558, 408.471 – 408.490, 1965 PA 390.

Department of Civil Service Rules and regulations

Elliot Larsen Civil Rights Act MCL §§ 37.2201, et seq.

Persons with disabilities Civil Rights Act MCL §§ 37.1101, et seq.

MCL §§ 423.321, et seq.

MCL § 18.1264 (law regarding debarment)

Davis-Bacon Act (DBA) 40 USCU §§ 276(a), et seq.

Contract Work Hours and Safety Standards Act (CWHSSA) 40 USCS § 327, et seq.

Business Opportunity Act for Persons with Disabilities MCL §§ 450.791 – 450.795

Rules and regulations of the Environmental Protection Agency

Internal Revenue Code

Rules and regulations of the Equal Employment Opportunity Commission (EEOC)

The Civil Rights Act of 1964, USCS Chapter 42

Title VII, 42 USCS §§ 2000e et seq.

The Americans with Disabilities Act (ADA), 42 USCS §§ 12101 et seq.

The Age Discrimination in Employment Act of 1967 (ADEA), 29 USCS §§ 621, 623 et seq.

The Old Workers Benefit and Protection Act of 1990 (OWBPA), 29 USCS §§ 626, et seq.

The Family Medical Leave Act of 1993 (FMLA), 29 USC §§ 651 et seq.

The Fair Labor Standards Act (FLSA), 29 USC §§ 201 et seq.

Pollution Prevention Act of 1990 (PPA) 42 U.S.C. §13106

Sherman Act, 15 U.S.C.S. § 1 et seq.

Robinson-Patman Act, 15 U.S.C.S. § 13 et. seq.

Clayton Act, 15 U.S.C.S. § 14 et seq.

**2.007 RELATIONSHIP OF THE PARTIES**

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.

**2.008 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.

**2.009 MERGER**

This document constitutes the complete, final, and exclusive agreement between the parties. All other prior writings and negotiations are ineffective.

**2.010 SEVERABILITY**

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

**2.011 SURVIVORSHIP**

Any provisions of this 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.

**2.012 NO WAIVER OF DEFAULT**

The failure of a party to insist upon strict adherence to any term of this 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 this Contract.

**2.013 PURCHASE ORDERS**

Orders for delivery of commodities and/or services may be issued directly by the State Departments through the issuance of a Purchase Order Form referencing this Contract (Blanket Purchase Order) agreement and the terms and conditions contained herein. Contractor is asked to reference the Purchase Order Number on all invoices for payment.

**2.1 CONTRACTOR/CONTRACTOR OBLIGATIONS****2.101 ACCOUNTING RECORDS**

The Contractor and all subcontractors shall maintain all pertinent financial and accounting records and evidence pertaining to this 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 Auditor General at any time during the Contract period and any extension thereof, and for three years from expiration date and final payment on this Contract or extension thereof.

**2.102 NOTIFICATION OF OWNERSHIP**

The Contractor shall make the following notifications in writing:

1. When the Contractor becomes aware that a change in its ownership or officers has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify Purchasing Operations within 30 days.
2. The Contractor shall also notify the 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.

The Contractor shall:

1. Maintain current, accurate, and complete inventory records of assets and their costs;
2. Provide Purchasing Operations or designated representative ready access to the records upon request;
3. Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership or officer changes; and
4. Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership or officer change.



2.103 SOFTWARE COMPLIANCE - RESERVED

2.104 LIABILITY INSURANCE

A. 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 coverage provided relative to this Contract/Purchase Order is 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. Companies that have been approved to do business in the State shall issue all policies of insurance required in this Contract.

See [www.michigan.gov/cis](http://www.michigan.gov/cis)

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 both parties sign the Contract 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 coverage afforded under the policies WILL NOT BE CANCELED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for ten (10) days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected and be mailed to: Director, Purchasing Operations, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909. Failure to provide evidence of coverage, may, at the State's sole option, result in this Contract's termination.

The Contractor is required to pay for and provide the type and amount of insurance checked below:



1. Commercial General Liability with the following minimum coverage:

- \$2,000,000 General Aggregate Limit other than Products/Completed Operations
- \$2,000,000 Products/Completed Operations Aggregate Limit
- \$1,000,000 Personal & Advertising Injury Limit
- \$1,000,000 Each Occurrence Limit
- \$500,000 Fire Damage Limit (any one fire)



The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- 2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- 3. Workers' compensation coverage must be provided in accordance with applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If a self-insurer provides the applicable coverage, 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).

B. Subcontractors

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



C. Certificates of Insurance and Other Requirements

Contractor shall furnish to the Office of Purchasing Operations certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor shall provide evidence that the State and its agents, officers and employees are listed as additional insured's, but only to the extent of liabilities assumed by Contractor as set forth in Indemnification Section of this Contract, 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.

2.105 *PERFORMANCE AND RELIABILITY EVALUATION (PARE) - RESERVED*

2.106 *PREVAILING WAGE - RESERVED*

2.107 *PAYROLL AND BASIC RECORDS - RESERVED*

2.108 *COMPETITION IN SUB-CONTRACTING*

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

2.109 *CALL CENTER DISCLOSURE*

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

2.110 *WORKPLACE DISCRIMINATION*

The Contractor represents and warrants that in performing services for the State pursuant to this Contract, the Contractor 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 Contractor further agrees that every subcontract entered into for the performance of any Contract or purchase order resulting here from 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 Persons With Disabilities 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.



Contractor hereby represents that in performing this contract it will not violate The Civil Rights Act of 1964, USCS Chapter 42, including, but not limited to, Title VII, 42 USCS §§ 2000e et seq.; the Americans with Disabilities Act (ADA), 42 USCS §§ 12101 et seq.; or The Age Discrimination in Employment Act of 1967 (ADEA), 29 USCS §§ 621, 623 et seq.; the Old Workers Benefit and Protection Act of 1990 (OWBPA), 29 USCS §§ 626 et seq.; the Family Medical Leave Act of 1993 (FMLA), 29 USC §§ 651 et seq.; or the Fair Labor Standards Act (FLSA), 29 USC §§ 201 et seq.

#### 2.111 LABOR RELATIONS

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. 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.

The Contractor represents and warrants that the company does not appear in the current register of employers failing to correct an unfair labor practice.

### 2.2 CONTRACT PERFORMANCE

#### 2.201 TIME IS OF THE ESSENCE

Contractor is on notice that time is of the essence in the performance of this Contract. Late performance will be considered a material breach of this contract, giving the State a right to invoke all remedies available to it under this Contract.

#### 2.202 CONTRACT PAYMENT SCHEDULE

All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Administrator and the Contractor after the Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing Operations, Department of Management & Budget. This activity will occur only upon the specific written direction from Purchasing Operations.

#### 2.203 POSSIBLE PROGRESS PAYMENTS - RESERVED

#### 2.204 POSSIBLE PERFORMANCE-BASED PAYMENTS - RESERVED

#### 2.205 ELECTRONIC PAYMENT REQUIREMENT

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

#### 2.206 PERFORMANCE OF WORK BY CONTRACTOR - RESERVED

### 2.3 CONTRACT RIGHTS AND OBLIGATIONS

#### 2.301 INCURRING COSTS

The State of Michigan is not liable for any cost incurred by the Contractor prior to signing of this Contract. 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. Total liability of the State is limited to terms and conditions of this Contract.



### 2.302 CONTRACTOR RESPONSIBILITIES

The Contractor will be required to assume responsibility for all contractual activities, whether or not that Contractor performs them. Further, the State will consider the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from this Contract. If any part of the work is to be subcontracted, this Contract must include a list of subcontractors, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve subcontractors and to require the Contractor to replace subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the subcontractor to all provisions of this Contract. Any change in subcontractors must be approved by the State, in writing, prior to such change.

### 2.303 ASSIGNMENT AND DELEGATION

The Contractor shall not have the right to assign this Contract, to assign its rights under this contract, 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 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 this Contract without the prior written consent of the Director of Purchasing Operations.

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

Contractor must obtain the approval of the Director of Purchasing Operations before using a place of performance that is different from the address the Contractor provided in the bid.

### 2.304 TAXES

Sales Tax: For purchases made directly by the State of Michigan, the State is exempt from State and Local Sales Tax. Prices shall not include such taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

Federal Excise Tax: The State of Michigan may be exempt for Federal Excise Tax, or such taxes may be reimbursable, if articles purchased under this Contract are used for the State's exclusive use. Certificates exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent to the Contractor upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices shall not include the Federal Excise Tax.

The State's Tax Exempt Certification is available for Contractor viewing upon request to the Contract Administrator.

### 2.305 INDEMNIFICATION

#### General Indemnification

To the fullest extent permitted by law, 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:

1. 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.
2. 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 this Contract;



3. 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;
4. 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;
5. 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.

#### Patent/Copyright Infringement Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its employees and agents from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements 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 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 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 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.

#### 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.

#### Indemnification Obligation Not Limited

In any and all claims against the State of Michigan, or any of its agents or employees, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under this 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 sub clauses, 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 sub clause.



#### Continuation of Indemnification Obligation

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

#### 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 so notify Contractor shall relieve Contractor of its indemnification obligations except to the extent that Contractor can demonstrate damages attributable to such failure. Within ten (10) days following receipt of written notice from the State relating to any claim, Contractor shall notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and prior to the State receiving Contractor's Notice of Election, the State shall be entitled to defend against the claim, at Contractor's expense, and Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during such period.
- (b) If Contractor delivers a Notice of Election relating to any claim: (i) the State shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim and to monitor and advise the State about the status and progress of the Defense; (ii) Contractor shall, at the request of the State, demonstrate to the reasonable satisfaction of the State, Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) Contractor shall periodically advise the State about the status and progress of the defense and shall obtain the prior written approval of the State before entering into any settlement of such claim or ceasing to defend against such claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State shall have the right, at its own expense, to control the defense of that portion of such claim involving the principles of Michigan governmental or public law. Notwithstanding the foregoing, the State may retain control of the defense and settlement of a claim by written notice to Contractor given within ten (10) days after the State's receipt of Contractor's information requested by the State pursuant to clause (ii) of this paragraph if the State determines that Contractor has failed to demonstrate to the reasonable satisfaction of the State Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State of Michigan, or any of its subdivisions pursuant to this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State pursuant to this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.
- (c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State shall have the right to defend the claim in such manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor shall promptly reimburse the State for all such reasonable costs and expenses.



**2.306 LIMITATION OF LIABILITY**

The Contractor's liability for damages to the State shall be limited to two times the value of the Contract or \$200,000 which ever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; to Contractor's indemnification obligations (2.305); 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.

**2.307 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.

**2.308 FORM, FUNCTION, AND UTILITY - RESERVED**

If the Contract is for use of more than one State agency and if the good or service provided under this Contract do not meet the form, function, and utility required by a State agency, that agency may, subject to State purchasing policies, procure the good or service from another source.

**2.309 ASSIGNMENT OF ANTITRUST CAUSE OF ACTION**

For and in consideration of the opportunity to submit a quotation and other good and valuable consideration, the bidder hereby assigns, sells and transfers to the State of Michigan all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or this State for price fixing, which causes of action have accrued prior to the date of payment and which relate solely to the particular goods, commodities, or services purchased or procured by this State pursuant to this transaction.

**2.310 PURCHASING FROM OTHER STATE AGENCIES - RESERVED**

**2.311 TRANSITION ASSISTANCE**

If this Contract is not renewed at the end of this term, or is canceled prior to its expiration, for any reason, the Contractor must provide for up to 60 days after the expiration or cancellation of this Contract, all reasonable transition assistance requested by the State, to allow for the expired or canceled portion of the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this Contract, (notwithstanding this expiration or cancellation) except for those Contract terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the Contract for Contract performance.

**2.312 RESERVED**

**2.313 RESERVED**

**2.314 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.



## 2.4 CONTRACT REVIEW AND EVALUATION

### 2.401 CONTRACT COMPLIANCE INSPECTOR

Upon receipt at Purchasing Operations of the properly executed Contract Agreement(s), the person named below will be allowed to oversee the Contract performance on a day-to-day basis during the term of the Contract. However, overseeing the Contract implies no authority to negotiate, change, modify, clarify, amend, or otherwise alter the terms, conditions, and specifications of such Contract(s). That authority is retained by Purchasing Operations. The Contract Compliance Inspector for this project is:

Glenn Copeland  
Department of Community Health  
Division of Vital Records and Health Statistics  
Capitol View Building  
201 Townsend  
Lansing, MI 48913  
Phone # (517) 335-8677  
Fax # (517) 335-8711  
Email: [Copelandg@michigan.gov](mailto:Copelandg@michigan.gov)

Kerri Bielski  
Department of Labor and Economic Growth  
Purchasing and Grant Services  
611 W. Ottawa St.  
Ottawa Building, 4<sup>th</sup> Floor  
Lansing, MI 48933  
Phone # (517) 373-7791  
Fax # (517) 373-2927  
Email: [Bielskik@michigan.gov](mailto:Bielskik@michigan.gov)

Murrin Shannon  
Department of Labor and Economic Growth  
Unemployment Insurance Agency - Wage Record Unit  
3024 W. Grand Blvd., Suite 12-450  
Detroit, MI 48202  
Phone# (313) 456-2767  
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Connie Pennell  
Department of Environmental Quality  
Waste and Hazardous Materials Division  
525 W. Allegan St  
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Sheila Murff  
DLEG/UIA Central Support  
3024 W. Grand Blvd Suite 12-300  
Detroit, MI 48202  
Phone # (313) 456-2520  
Email: [MurffSheilaL@michigan.gov](mailto:MurffSheilaL@michigan.gov)



#### 2.402 PERFORMANCE REVIEWS

Purchasing Operations in conjunction with the State Agencies may review with the Contractor their performance under the Contract. Performance reviews shall be conducted quarterly, semi-annually or annually depending on Contractor's past performance with the State. Performance reviews shall include, but not limited to, quality of products/services being delivered and provided, timeliness of delivery, percentage of completion of orders, the amount of back orders, status of such orders, accuracy of billings, customer service, completion and submission of required paperwork, the number of substitutions and the reasons for substitutions, and other requirements of the Contract.

Upon a finding of poor performance, which has been documented by Purchasing Operations, the Contractor shall be given an opportunity to respond and take corrective action. If corrective action is not taken in a reasonable amount of time as determined by Purchasing Operations, the Contract may be canceled for default. Delivery by the Contractor of unsafe and/or adulterated or off-condition products to any State agency is considered a material breach of Contract subject to the cancellation provisions contained herein.

#### 2.403 AUDIT OF CONTRACT COMPLIANCE/ 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.

### 2.5 QUALITY AND WARRANTIES

#### 2.501 PROHIBITED PRODUCTS - RESERVED

#### 2.502 QUALITY ASSURANCE - RESERVED

#### 2.503 INSPECTION - RESERVED

#### 2.504 GENERAL WARRANTIES - RESERVED

#### 2.505 CONTRACTOR WARRANTIES

The Contract will contain customary representations and warranties by the Contractor, including, without limitation, the following:

1. The Contractor will perform all services in accordance with high professional standards in the industry;
2. The Contractor will use adequate numbers of qualified individuals with suitable training, education, experience and skill to perform the services;
3. The Contractor will use its best efforts to use efficiently any resources or services necessary to provide the services that are separately chargeable to the State;
4. The Contractor will use its best efforts to perform the services in the most cost effective manner consistent with the required level of quality and performance;
5. The Contractor will perform the services in a manner that does not infringe the proprietary rights of any third party;
6. The Contractor will perform the services in a manner that complies with all applicable laws and regulations;
7. The Contractor has duly authorized the execution, delivery and performance of the Contract;
8. The Contractor is capable in all respects of fulfilling and shall fulfill all of its obligations under this contract.



9. The contract appendices, attachments, and exhibits identify all equipment and software services necessary for the deliverable(s) to perform and operate in compliance with the contract's requirements.
10. The Contractor 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 license use, as applicable, of any and all Deliverables.
11. The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter this contract, on behalf of Contractor.
12. The Contractor is qualified and registered to transact business in all locations where required.
13. 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.
14. All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the ITB or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by such financial statements, reports, other information. Since the respective dates or periods covered by such financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor. 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.

2.506 STAFF - RESERVED

2.507 RESERVED

2.508 EQUIPMENT WARRANTY - RESERVED

2.509 RESERVED

## 2.6 BREACH OF CONTRACT

### 2.601 BREACH DEFINED

Failure to comply with articles, sections, or subsections of this agreement, or making any false statement in this agreement will be considered a material breach of this agreement giving the state authority to invoke any and all remedies available to it under this agreement.

In addition to any remedies available in law and by the terms of this contract, if the Contractor breaches Sections 2.508, 2.509, or 2.510, such a breach may be considered as a default in the performance of a material obligation of this contract.

### 2.602 NOTICE AND THE RIGHT TO CURE

In the event of a curable breach by the Contractor, the State shall provide the Contractor written notice of the breach and a time period to cure said breach described in the notice. This section requiring notice and an opportunity to cure shall not be applicable in the event of successive or repeated breaches of the same nature or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage or destruction of any real or tangible personal property.



### 2.603 EXCUSABLE FAILURE

1. Neither party shall be liable for any default or delay in the performance of its obligations under the Contract if and to the extent such default or delay is caused, directly or indirectly, by: fire, flood, earthquake, elements of nature or acts of God; riots, civil disorders, rebellions or revolutions in any country; the failure of the other party to perform its material responsibilities under the Contract (either itself or through another contractor); 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, workaroud plans or other means, including disaster recovery plans. In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its best efforts to recommence performance or observance whenever and to whatever extent possible without delay provided such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.
2. If any of the above enumerated circumstances substantially prevent, hinder, or delay performance of the services necessary for the performance of the State's functions for more than 14 consecutive 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 from an alternate source, and the State shall not be liable for payments for the unperformed services under the Contract for so long as the delay in performance shall continue; (b) the State may cancel any portions of the Contract so affected and the charges payable hereunder shall be equitably adjusted to reflect those services canceled; or (c) the Contract will be canceled without liability of the State to the Contractor as of the date specified by the State in a written notice of cancellation to the Contractor. The 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 as a result of the excusable failure condition. Defaults or delays in performance by the Contractor which are caused by acts or omissions of its subcontractors will not relieve the Contractor of its obligations under the Contract except to the extent that a subcontractor is itself subject to any excusable failure condition described above and the Contractor cannot reasonably circumvent the effect of the subcontractor's default or delay in performance through the use of alternate sources, workaroud plans or other means.

## 2.7 REMEDIES

### 2.701 CANCELLATION

The State may cancel 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:

1. Material Breach by the Contractor. In the event that the Contractor breaches any of its material duties or obligations under the Contract, 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, 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 cancellation to the Contractor, cancel this Contract in whole or in part, for cause, as of the date specified in the notice of cancellation.

In the event that this Contract is canceled for cause, in addition to any legal remedies otherwise available to the State by law or equity, the Contractor shall be responsible for all costs incurred by the State in canceling the Contract, including but not limited to, State administrative costs, attorneys fees and court costs, and any additional costs the State may incur to procure the services required by this Contract from other sources. All excess re-procurement costs and damages shall not be considered by the parties to be consequential, indirect or incidental, and shall not be excluded by any other terms otherwise included in the Contract.



In the event the State chooses to partially cancel this Contract for cause charges payable under this Contract will be equitably adjusted to reflect those services that are canceled.

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

2. Cancellation For Convenience By the State. The State may cancel this Contract for its convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall be left to the sole discretion of the State and may include, but not 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 Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel the Contract for its convenience, in whole or in part, by giving the Contractor written notice 30 days prior to the date of cancellation. If the State chooses to cancel this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those services that are canceled.
3. Non-Appropriation. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The 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 project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.
4. Criminal Conviction. In the event 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 upon the Contractor's business integrity.
5. 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, section 5, and Civil Service Rule 7. 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.

#### 2.702 RIGHTS UPON CANCELLATION

Termination Assistance. If this Contract (or any Statement of Work issued under it) is terminated for any reason prior to completion, Contractor agrees to provide for up to six (6) months after the termination all reasonable termination assistance requested by the State to facilitate the orderly transfer of such Services to the State or its designees in a manner designed to minimize interruption and adverse effect. Such termination assistance will be deemed by the parties to be governed by the terms and conditions of this Contract (notwithstanding its termination) other than any terms or conditions that do not reasonably apply to such termination assistance. Such termination assistance shall be at no additional charge to the State if the termination is for Contractor's Default pursuant to Section 2.602; otherwise the State shall compensate Contractor for such termination assistance on a time and materials basis in accordance with the Amendment Labor Rates identified within this Contract agreement.

#### 2.703 LIQUIDATED DAMAGES - RESERVED

#### 2.704 STOP WORK - RESERVED



### 2.705 *SUSPENSION OF WORK*

The Contract Administrator may order the Contractor, in writing, to suspend, delay, or interrupt all or any part of the work of this contract for the period of time that the Contract Administrator determines appropriate for the convenience of the State.

If the performance of all or any part of the work is, for an unreasonable period of time, suspended, delayed, or interrupted (1) by an act of the Contract Administrator in the administration of this contract, or (2) by the Contract Administrator's failure to act within the time specified in this contract (or within a reasonable time if not specified), an adjustment shall be made for any increase in the cost of performance of this contract (excluding profit) necessarily caused by the unreasonable suspension, delay, or interruption, and the contract modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension, delay, or interruption to the extent that performance would have been so suspended, delayed, or interrupted by any other cause, including the fault or negligence of the Contractor, or for which an equitable adjustment is provided for or excluded under any other term or condition of this contract.

A claim under this clause shall not be allowed:

- (1) For any costs incurred more than 20 days before the Contractor shall have notified the Contract Administrator in writing of the act or failure to act involved (but this requirement shall not apply as to a claim resulting from a suspension order); and
- (2) Unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of the suspension, delay, or interruption, but not later than the date of final payment under the contract.

## 2.8 *CHANGES, MODIFICATIONS, AND AMENDMENTS*

### 2.801 *APPROVALS*

The Contract may not be 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.

### 2.802 *TIME EXTENTIONS*

Time extensions for contract changes will depend upon the extent, if any, by which the changes cause delay in the completion of the various elements of performance as described in the statement of work. The change order granting the time extension may provide that the contract completion date will be extended only for those specific elements related to the changed work and that the remaining contract completion dates for all other portions of the work will not be altered. The change order also may provide an equitable readjustment of liquidated damages under the new completion schedule.

### 2.803 *MODIFICATION*

Purchasing Operations reserves the right to modify this contract at any time during the contract term. Such modification may include changing the locations to be serviced, additional locations to be serviced, method or manner of performance of the work, number of days service is to be performed, addition or deletion of tasks to be performed, addition or deletion of items, and/or any other modifications deemed necessary. Any changes in pricing proposed by the Contractor resulting from the proposed 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 BASED UPON THE NEW SPECIFICATION.**

The State reserves the right to add an item(s) that is not described on the item listing and is available from the Contract Contractor. The item(s) may be included on the Contract, only if prior written approval has been granted by Purchasing Operations.

**2.804 AUDIT AND RECORDS UPON MODIFICATION**

DEFINITION: records includes books, documents, accounting procedures and practices, and other data, regardless of whether such items are in written form, electronic form, or in any other form

Contractor shall be required to submit cost or pricing data with the pricing of any modification of this contract to the Contract Administrator in Purchasing Operations. Data may include accounting records, payroll records, employee time sheets, and other information the state deems necessary to perform a fair evaluation of the modification proposal. Contract Administrator or authorized representative of the state shall have the right to examine and audit all of the contractor's records, including computations and projections, related to:

1. The proposal for modification;
2. The discussions conducted on the proposal, including those related to negotiation;
3. Pricing of the modification; or
4. Performance of the modification.

Contractor shall make available at its office at all reasonable times the materials described in the paragraphs above.

If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement.

**2.805 CHANGES**

- (a) The Contract Administrator may, at any time, without notice to the sureties, if any, by written order designated or indicated to be a change order, make changes in the work within the general scope of the contract, including changes:
- (1) In the specifications (including drawings and designs);
  - (2) In the method or manner of performance of the work;
  - (3) In the Government-furnished facilities, equipment, materials, services, or site; or
  - (4) Directing acceleration in the performance of the work.
- (a) Any other written or oral order (which, as used in this paragraph (b), includes direction, instruction, interpretation, or determination) from the Contract Administrator that causes a change shall be treated as a change order under this clause; Provided, that the Contractor gives the Contract Administrator written notice stating:
- (1) The date, circumstances, and source of the order; and
  - (2) That the Contractor regards the order as a change order.
- (b) Except as provided in this clause, no order, statement, or conduct of the Contract Administrator shall be treated as a change under this clause or entitle the Contractor to an equitable adjustment.

**ATTACHMENT I**

116 STAT. 2962 PUBLIC LAW 107-347—DEC. 17 2002

**TITLE V—CONFIDENTIAL INFORMATION PROTECTION AND STATISTICAL EFFICIENCY****SEC. 501. SHORT TITLE.**

This title may be cited as the “Confidential Information Protection and Statistical Efficiency Act of 2002”.

**SEC. 502. DEFINITIONS.**

As used in this title:

(1) The term “agency” means any entity that falls within the definition of the term “executive agency” as defined in section 102 of title 31, United States Code, or “agency”, as defined in section 3502 of title 44, United States Code.

(2) The term “agent” means an individual—

(A)(i) who is an employee of a private organization or a researcher affiliated with an institution of higher learning (including a person granted special sworn status by the Bureau of the Census under section 23(c) of title 13, United States Code), and with whom a contract or other agreement is executed, on a temporary basis, by an executive agency to perform exclusively statistical activities under the control and supervision of an officer or employee of that agency;

(ii) who is working under the authority of a government entity with which a contract or other agreement is executed by an executive agency to perform exclusively statistical activities under the control of an officer or employee of that agency;

(iii) who is a self-employed researcher, a consultant, a contractor, or an employee of a contractor, and with whom a contract or other agreement is executed by an executive agency to perform a statistical activity under the control of an officer or employee of that agency; or

(iv) who is a contractor or an employee of a contractor, and who is engaged by the agency to design or maintain the systems for handling or storage of data received under this title; and

(B) who agrees in writing to comply with all provisions of law that affect information acquired by that agency.

(3) The term “business data” means operating and financial data and information about businesses, tax-exempt organizations, and government entities.

(4) The term “identifiable form” means any representation of information that permits the identity of the respondent to whom the information applies to be reasonably inferred by either direct or indirect means.

(5) The term “nonstatistical purpose”—

(A) means the use of data in identifiable form for any purpose that is not a statistical purpose, including any administrative, regulatory, law enforcement, adjudicatory, or other purpose that affects the rights, privileges, or benefits of a particular identifiable respondent; and

(B) includes the disclosure under section 552 of title 5, United States Code (popularly known as the Freedom of Information Act) of data that are acquired for exclusively statistical purposes under a pledge of confidentiality.

(6) The term “respondent” means a person who, or organization that, is requested or required to supply information to an agency, is the subject of information requested or required to be supplied to an agency, or provides that information to an agency.

(7) The term “statistical activities”—

(A) means the collection, compilation, processing, or analysis of data for the purpose of describing or making estimates concerning the whole, or relevant groups or components within, the economy, society, or the natural environment; and

(B) includes the development of methods or resources that support those activities, such as measurement methods, models, statistical classifications, or sampling frames.

(8) The term “statistical agency or unit” means an agency or organizational unit of the executive branch whose activities are predominantly the collection, compilation, processing, or analysis of information for statistical purposes.

(9) The term “statistical purpose”—

(A) means the description, estimation, or analysis of the characteristics of groups, without identifying the individuals or organizations that comprise such groups; and

(B) includes the development, implementation, or maintenance of methods, technical or administrative procedures, or information resources that support the purposes described in subparagraph (A).

**SEC. 503. COORDINATION AND OVERSIGHT OF POLICIES.**

(a) **IN GENERAL.**—The Director of the Office of Management and Budget shall coordinate and oversee the confidentiality and disclosure policies established by this title. The Director may promulgate rules or provide other guidance to ensure consistent interpretation of this title by the affected agencies.

(b) **AGENCY RULES.**—Subject to subsection (c), agencies may promulgate rules to implement this title. Rules governing disclosures of information that are authorized by this title shall be promulgated by the agency that originally collected the information.

(c) **REVIEW AND APPROVAL OF RULES.**—The Director shall review any rules proposed by an agency pursuant to this title for consistency with the provisions of this title and chapter 35 of title 44, United States Code, and such rules shall be subject to the approval of the Director.

(d) **REPORTS.**—

(1) The head of each agency shall provide to the Director of the Office of Management and Budget such reports and other information as the Director requests.

(2) Each Designated Statistical Agency referred to in section 522 shall report annually to the Director of the Office of Management and Budget, the Committee on Government Reform of the House of Representatives, and the Committee on Governmental Affairs of the Senate on the actions it has taken to implement sections 523 and 524. The report shall include copies of each written agreement entered into pursuant to section 524(a) for the applicable year.

(3) The Director of the Office of Management and Budget shall include a summary of reports submitted to the Director under paragraph (2) and actions taken by the Director to advance the purposes of this title in the annual report to the Congress on statistical programs prepared under section 3504(e)(2) of title 44, United States Code.

**SEC. 504. EFFECT ON OTHER LAWS.**

(a) **TITLE 44, UNITED STATES CODE.**—This title, including amendments made by this title, does not diminish the authority under section 3510 of title 44, United States Code, of the Director of the Office of Management and Budget to direct, and of an agency to make, disclosures that are not inconsistent with any applicable law.

(b) **TITLE 13 AND TITLE 44, UNITED STATES CODE.**—This title, including amendments made by this title, does not diminish the authority of the Bureau of the Census to provide information in accordance with sections 8, 16, 301, and 401 of title 13, United States Code, and section 2108 of title 44, United States Code.

(c) **TITLE 13, UNITED STATES CODE.**—This title, including amendments made by this title, shall not be construed as authorizing the disclosure for nonstatistical purposes of demographic data or information collected by the Census Bureau pursuant to section 9 of title 13, United States Code.

(d) **VARIOUS ENERGY STATUTES.**—Data or information acquired by the Energy Information Administration under a pledge of confidentiality and designated by the Energy Information Administration to be used for exclusively statistical purposes shall not be disclosed in identifiable form for nonstatistical purposes under—

(1) section 12, 20, or 59 of the Federal Energy Administration Act of 1974 (15 U.S.C. 771, 779, 790h);

(2) section 11 of the Energy Supply and Environmental Coordination Act of 1974 (15 U.S.C. 796); or

(3) section 205 or 407 of the Department of the Energy Organization Act of 1977 (42 U.S.C. 7135, 7177).

(e) **SECTION 201 OF CONGRESSIONAL BUDGET ACT OF 1974.**—

This title, including amendments made by this title, shall not be construed to limit any authorities of the Congressional Budget Office to work (consistent with laws governing the confidentiality of information the disclosure of which would be a violation of law) with databases of Designated Statistical Agencies (as defined

in section 522), either separately or, for data that may be shared pursuant to section 524 of this title or other authority, jointly in order to improve the general utility of these databases for the statistical purpose of analyzing pension and health care financing issues.

(f) **PREEMPTION OF STATE LAW.**—Nothing in this title shall preempt applicable State law regarding the confidentiality of data collected by the States.

(g) **STATUTES REGARDING FALSE STATEMENTS.**—Notwithstanding section 512, information collected by an agency for exclusively statistical purposes under a pledge of confidentiality may be provided by the collecting agency to a law enforcement agency for the prosecution of submissions to the collecting agency of false statistical information under statutes that authorize criminal penalties (such as section 221 of title 13, United States Code) or civil penalties for the provision of false statistical information, unless such disclosure or use would otherwise be prohibited under Federal law.



(h) CONSTRUCTION.—Nothing in this title shall be construed as restricting or diminishing any confidentiality protections or penalties for unauthorized disclosure that otherwise apply to data or information collected for statistical purposes or nonstatistical purposes, including, but not limited to, section 6103 of the Internal Revenue Code of 1986 (26 U.S.C. 6103).

(i) AUTHORITY OF CONGRESS.—Nothing in this title shall be construed to affect the authority of the Congress, including its committees, members, or agents, to obtain data or information for a statistical purpose, including for oversight of an agency’s statistical activities.

**Subtitle A—Confidential Information Protection****SEC. 511. FINDINGS AND PURPOSES.**

(a) FINDINGS.—The Congress finds the following:

- (1) Individuals, businesses, and other organizations have varying degrees of legal protection when providing information to the agencies for strictly statistical purposes.
- (2) Pledges of confidentiality by agencies provide assurances to the public that information about individuals or organizations or provided by individuals or organizations for exclusively statistical purposes will be held in confidence and will not be used against such individuals or organizations in any agency action.
- (3) Protecting the confidentiality interests of individuals or organizations who provide information under a pledge of confidentiality for Federal statistical programs serves both the interests of the public and the needs of society.
- (4) Declining trust of the public in the protection of information provided under a pledge of confidentiality to the agencies adversely affects both the accuracy and completeness of statistical analyses.
- (5) Ensuring that information provided under a pledge of confidentiality for statistical purposes receives protection is essential in continuing public cooperation in statistical programs.

(b) PURPOSES.—The purposes of this subtitle are the following:

- (1) To ensure that information supplied by individuals or organizations to an agency for statistical purposes under a pledge of confidentiality is used exclusively for statistical purposes.
- (2) To ensure that individuals or organizations who supply information under a pledge of confidentiality to agencies for statistical purposes will neither have that information disclosed in identifiable form to anyone not authorized by this title nor have that information used for any purpose other than a statistical purpose.
- (3) To safeguard the confidentiality of individually identifiable information acquired under a pledge of confidentiality for statistical purposes by controlling access to, and uses made of, such information.

**SEC. 512. LIMITATIONS ON USE AND DISCLOSURE OF DATA AND INFORMATION.**

(a) USE OF STATISTICAL DATA OR INFORMATION.—Data or information acquired by an agency under a pledge of confidentiality and for exclusively statistical purposes shall be used by officers, employees, or agents of the agency exclusively for statistical purposes.

(b) DISCLOSURE OF STATISTICAL DATA OR INFORMATION.—

- (1) Data or information acquired by an agency under a pledge of confidentiality for exclusively statistical purposes shall not be disclosed by an agency in identifiable form, for any use other than an exclusively statistical purpose, except with the informed consent of the respondent.
- (2) A disclosure pursuant to paragraph (1) is authorized only when the head of the agency approves such disclosure and the disclosure is not prohibited by any other law.
- (3) This section does not restrict or diminish any confidentiality protections in law that otherwise apply to data or information acquired by an agency under a pledge of confidentiality for exclusively statistical purposes.

(c) RULE FOR USE OF DATA OR INFORMATION FOR NONSTATISTICAL

PURPOSES.—A statistical agency or unit shall clearly distinguish any data or information it collects for nonstatistical purposes (as authorized by law) and provide notice to the public, before the data or information is collected, that the data or information could be used for nonstatistical purposes.

(d) DESIGNATION OF AGENTS.—A statistical agency or unit may designate agents, by contract or by entering into a special agreement containing the provisions required under section 502(2) for treatment as an agent under that section, who may perform exclusively statistical activities, subject to the limitations and penalties described in this title.

**SEC. 513. FINES AND PENALTIES.**

Whoever, being an officer, employee, or agent of an agency acquiring information for exclusively statistical purposes, having taken and subscribed the oath of office, or having sworn to observe the limitations imposed by section 512, comes into possession of such information by reason of his or her being an officer, employee, or agent and, knowing that the disclosure of the specific information is prohibited under the provisions of this title, willfully discloses the information in any manner to a person or agency not entitled to receive it, shall be guilty of a class E felony and imprisoned for not more than 5 years, or fined not more than \$250,000, or both.

**Subtitle B—Statistical Efficiency****SEC. 521. FINDINGS AND PURPOSES.**

(a) FINDINGS.—The Congress finds the following:

- (1) Federal statistics are an important source of information for public and private decision-makers such as policymakers, consumers, businesses, investors, and workers.
- (2) Federal statistical agencies should continuously seek to improve their efficiency. Statutory constraints limit the ability of these agencies to share data and thus to achieve higher efficiency for Federal statistical programs.
- (3) The quality of Federal statistics depends on the willingness of businesses to respond to statistical surveys. Reducing reporting burdens will increase response rates, and therefore lead to more accurate characterizations of the economy.
- (4) Enhanced sharing of business data among the Bureau of the Census, the Bureau of Economic Analysis, and the Bureau of Labor Statistics for exclusively statistical purposes will improve their ability to track more accurately the large and rapidly changing nature of United States business. In particular, the statistical agencies will be able to better ensure that businesses are consistently classified in appropriate industries, resolve data anomalies, produce statistical samples that are consistently adjusted for the entry and exit of new businesses in a timely manner, and correct faulty reporting errors quickly and efficiently.
- (5) The Congress enacted the International Investment and Trade in Services Act of 1990 that allowed the Bureau of the Census, the Bureau of Economic Analysis, and the Bureau of Labor Statistics to share data on foreign-owned companies. The Act not only expanded detailed industry coverage from 135 industries to over 800 industries with no increase in the data collected from respondents but also demonstrated how data sharing can result in the creation of valuable data products.
- (6) With subtitle A of this title, the sharing of business data among the Bureau of the Census, the Bureau of Economic Analysis, and the Bureau of Labor Statistics continues to ensure the highest level of confidentiality for respondents to statistical surveys.

(b) PURPOSES.—The purposes of this subtitle are the following:

- (1) To authorize the sharing of business data among the Bureau of the Census, the Bureau of Economic Analysis, and the Bureau of Labor Statistics for exclusively statistical purposes.
- (2) To reduce the paperwork burdens imposed on businesses that provide requested information to the Federal Government.
- (3) To improve the comparability and accuracy of Federal economic statistics by allowing the Bureau of the Census, the Bureau of Economic Analysis, and the Bureau of Labor Statistics to update sample frames, develop consistent classifications of establishments and companies into industries, improve coverage, and reconcile significant differences in data produced by the three agencies.
- (4) To increase understanding of the United States economy, especially for key industry and regional statistics, to develop more accurate measures of the impact of technology on productivity growth, and to enhance the reliability of the Nation's most important economic indicators, such as the National Income and Product Accounts.

**SEC. 522. DESIGNATION OF STATISTICAL AGENCIES.**

For purposes of this subtitle, the term “Designated Statistical Agency” means each of the following:

- (1) The Bureau of the Census of the Department of Commerce.
- (2) The Bureau of Economic Analysis of the Department of Commerce.
- (3) The Bureau of Labor Statistics of the Department of Labor.

**SEC. 523. RESPONSIBILITIES OF DESIGNATED STATISTICAL AGENCIES.**

The head of each of the Designated Statistical Agencies shall—

- (1) identify opportunities to eliminate duplication and otherwise reduce reporting burden and cost imposed on the public in providing information for statistical purposes;
- (2) enter into joint statistical projects to improve the quality and reduce the cost of statistical programs; and
- (3) protect the confidentiality of individually identifiable information acquired for statistical purposes by adhering to safeguard principles, including—
  - (A) emphasizing to their officers, employees, and agents the importance of protecting the confidentiality of information in cases where the identity of individual respondents can reasonably be inferred by either direct or indirect means;
  - (B) training their officers, employees, and agents in their legal obligations to protect the confidentiality of individually identifiable information and in the procedures that must be followed to provide access to such information;



- (C) implementing appropriate measures to assure the physical and electronic security of confidential data;
- (D) establishing a system of records that identifies individuals accessing confidential data and the project for which the data were required; and
- (E) being prepared to document their compliance with safeguard principles to other agencies authorized by law to monitor such compliance.

**SEC. 524. SHARING OF BUSINESS DATA AMONG DESIGNATED STATISTICAL AGENCIES.**

(a) **IN GENERAL.**—A Designated Statistical Agency may provide business data in an identifiable form to another Designated Statistical Agency under the terms of a written agreement among the agencies sharing the business data that specifies—

- (1) the business data to be shared;
- (2) the statistical purposes for which the business data are to be used;
- (3) the officers, employees, and agents authorized to examine the business data to be shared; and
- (4) appropriate security procedures to safeguard the confidentiality of the business data.

(b) **RESPONSIBILITIES OF AGENCIES UNDER OTHER LAWS.**—The provision of business data by an agency to a Designated Statistical Agency under this subtitle shall in no way alter the responsibility of the agency providing the data under other statutes (including section 552 of title 5, United States Code (popularly known as the Freedom of Information Act), and section 552b of title 5, United States Code (popularly known as the Privacy Act of 1974)) with respect to the provision or withholding of such information by the agency providing the data.

(c) **RESPONSIBILITIES OF OFFICERS, EMPLOYEES, AND AGENTS.**—

Examination of business data in identifiable form shall be limited to the officers, employees, and agents authorized to examine the individual reports in accordance with written agreements pursuant to this section. Officers, employees, and agents of a Designated Statistical Agency who receive data pursuant to this subtitle shall be subject to all provisions of law, including penalties, that relate—

- (1) to the unlawful provision of the business data that would apply to the officers, employees, and agents of the agency that originally obtained the information; and
- (2) to the unlawful disclosure of the business data that would apply to officers, employees, and agents of the agency that originally obtained the information.

(d) **NOTICE.**—Whenever a written agreement concerns data that respondents were required by law to report and the respondents were not informed that the data could be shared among the Designated Statistical Agencies, for exclusively statistical purposes, the terms of such agreement shall be described in a public notice issued by the agency that intends to provide the data. Such notice shall allow a minimum of 60 days for public comment.

**SEC. 525. LIMITATIONS ON USE OF BUSINESS DATA PROVIDED BY DESIGNATED STATISTICAL AGENCIES.**

(a) **USE, GENERALLY.**—Business data provided by a Designated Statistical Agency pursuant to this subtitle shall be used exclusively for statistical purposes.

(b) **PUBLICATION.**—Publication of business data acquired by a Designated Statistical Agency shall occur in a manner whereby the data furnished by any particular respondent are not in identifiable form.

**SEC. 526. CONFORMING AMENDMENTS.**

(a) **DEPARTMENT OF COMMERCE.**—Section 1 of the Act of January 27, 1938 (15 U.S.C. 176a) is amended by striking “The” and inserting “Except as provided in the Confidential Information Protection and Statistical Efficiency Act of 2002, the”.

(b) **TITLE 13.**—Chapter 10 of title 13, United States Code, is amended—

(1) by adding after section 401 the following: “**§ 402. Providing business data to Designated Statistical**

**Agencies** “The Bureau of the Census may provide business data to the Bureau of Economic Analysis and the Bureau of Labor Statistics (‘Designated Statistical Agencies’) if such information is required for an authorized statistical purpose and the provision is the subject of a written agreement with that Designated Statistical Agency,

or their successors, as defined in the Confidential Information Protection and Statistical Efficiency Act of 2002.”; and **LEGISLATIVE HISTORY—H.R. 2458 (S. 803): HOUSE REPORTS:** No. 107–787, Pt. 1 (Comm. on Government Reform). **SENATE REPORTS:** No. 107–174 accompanying S. 803 (Comm. on Governmental Affairs). **CONGRESSIONAL RECORD,** Vol. 148 (2002):

Nov. 14, considered and passed House. Nov. 15, considered and passed Senate. **WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS,** Vol. 38 (2002): Dec. 17, Presidential statement.

(2) in the table of sections for the chapter by adding after the item relating to section 401 the following:

“402. Providing business data to Designated Statistical Agencies.”. Approved December 17, 2002.

**ATTACHMENT II**

Date: September 21, 2006

**Commissioner's Order No. 1-06**

Subject: Confidential Nature of BLS Statistical Data

1. Purpose. The purpose of this Order is to state the Bureau of Labor Statistics (BLS) policy concerning the confidential nature of BLS statistical data.
2. Reference Office. Office of Administration, Division of Management Systems.
3. Authority. Secretary's Order 39-72, "Control of Data and Information Collected by the Bureau of Labor Statistics," assigns the Commissioner of Labor Statistics responsibility for confidentiality policy and procedures related to the protection of BLS data and for deciding on all requests for public disclosure of data collected by the BLS. The Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA), Title 5 of Public Law 107-347, establishes statutory provisions protecting the confidentiality of data collected by Federal Executive Branch agencies for exclusively statistical purposes under a pledge of confidentiality. The Workforce Investment Act of 1998, Public Law 105-220, section 309(a)(2), establishes statutory provisions protecting the confidentiality of data collected through the Federal/State Labor Market Information programs. The Federal Statistical Confidentiality Order issued by the Office of Management and Budget, 62 Federal Register 35043 (June 27, 1997), establishes a consistent government policy protecting the confidentiality interests of respondents who provide information for Federal statistical programs.
4. Directives Affected. Commissioner's Order 3-04, "Confidential Nature of BLS Records," is replaced by this Order. In all cases where Commissioner's Order 3-04 is cited as the BLS policy, this Order is henceforth the applicable document.
5. References. Administrative Procedure 2-05, "Responsibility for Safeguarding Confidential Information," Administrative Procedure 2-06, "Informed Consent Procedures," Commissioner's Order 3-00, "Contracts and Agreements Involving BLS Confidential Data or Privacy Act Data," Commissioner's Order 4-00, "Advance Release of Embargoed News and Data Releases," Commissioner's Order 1-05, "Authorizing Advance Access to or Publication of Non-Embargoed News and Data Releases," and Administrative Procedure 2-99, "Requests for Records Under the Freedom of Information Act" provide additional information on the BLS confidentiality policy.
6. Definitions. For purposes of this Order:
  - a. Confidential information includes:
    - (1) Respondent identifiable information. Any representation of information that permits the identity of the respondent to whom the information applies to be reasonably inferred by either direct or indirect means.
    - (2) Pre-release economic data. Statistics and analyses that have not yet officially been released to the public, whether or not there is a set date and time of release before which they must not be divulged.



- i. Embargoed data. Pre-release economic data for the Principal Federal Economic Indicators produced by the BLS. Currently, the following BLS data series have been designated by OMB as Principal Federal Economic Indicators: the Consumer Price Index, Employment Situation, Employment Cost Index, Producer Price Indexes, Productivity and Costs, Real Earnings, and U.S. Import and Export Price Indexes.
    - ii. Non-embargoed data. Non-embargoed data include all economic data produced by the BLS that are not designated as Principal Federal Economic Indicators. This includes statistics and analyses that have not yet officially been released to the public, whether or not there is a set date and time of release before which they must not be divulged.
  - b. Respondent. A person who, or organization that, is requested or required to supply information to the BLS, is the subject of information requested or required to be supplied to the BLS, or provides that information to the BLS. A person or organization is not required to actually have provided information to BLS, or have had information provided to BLS from another source, to be considered a respondent.
  - c. Statistical purposes. The description, estimation, or analysis of the characteristics of groups without identifying the individuals or organizations that comprise such groups, and the development, implementation, or maintenance of methods, procedures, or information resources that support such purposes. This definition does not include any use of respondent identifiable information for administrative, regulatory, law enforcement, adjudicatory, disclosure under the Freedom of Information Act, or other similar purposes that affect the rights, privileges, or benefits of a particular respondent.
  - d. Statistical activities. The collection, compilation, processing, or analysis of data for the purpose of describing or making estimates or tabulations concerning the whole, or relevant groups or components within the economy, society, or the natural environment. Statistical activities include the development of methods or resources that support those activities, such as measurement methods, models, statistical classifications, or sampling frames.
  - e. Authorized persons. Officers, employees, and agents of the BLS who are responsible for collecting, processing, or using confidential information in furtherance of statistical purposes or for the other stated purposes for which the data were collected. Authorized persons are authorized access to only confidential information that are integral to the program or project on which they work, and only to the extent required to perform their duties.
  - f. Agents. Individuals who meet the definition of agent as set forth by CIPSEA and who have been designated by the BLS to perform exclusively statistical activities through an Agent Agreement.
  - g. Disclose or Disclosure. The release of confidential information to anyone other than authorized persons or the respondent who provided or is the subject of the data.
  - h. Advance Release. Providing a BLS news or data release (or any part or derivative of a release) to a person or organization outside the BLS prior to its official date and time of public release.
7. Policy. In conformance with existing law and Departmental regulations, it is the policy of the BLS that:



- a. Respondent identifiable information collected or maintained by, or under the auspices of, the BLS for exclusively statistical purposes and under a pledge of confidentiality shall be treated in a manner that will ensure that the information will be used only for statistical purposes and will be accessible only to authorized persons.
  - b. Pre-release economic data, including embargoed data, prepared for release to the public will not be disclosed or used in an unauthorized manner before they officially have been released, and will be accessible only to authorized persons.
8. Designation of Authorized Persons. The following categories of individuals are authorized persons:
- a. BLS officers and employees who take the oath of office and who sign the BLS Employee Acknowledgment Letter when they enter on duty.
  - b. Individuals designated as agents who fall within one of the following categories:
    - (1) State agency employees who are directly involved in the BLS/State cooperative programs, who are subject to the provisions of the BLS/State cooperative agreement, and who have signed a BLS Agent Agreement.
    - (2) BLS contract employees whose contract under which they are working contains provisions that includes the BLS confidentiality policy and who have signed a BLS Agent Agreement.
    - (3) Individuals working under the authority of a separate government entity with which the BLS has entered into a contract or other agreement that includes the BLS confidentiality policy and who have signed a BLS Agent Agreement.
    - (4) Researchers who are affiliated with an organization with which the BLS has entered into a contract or other agreement that includes the BLS confidentiality policy, who are working on a temporary basis on a statistical project of interest to the BLS, and who have signed a BLS Agent Agreement.
    - (5) Any other individuals who are affiliated with an organization with which the BLS has entered into a contract or other agreement that includes the BLS confidentiality policy. Such individuals must meet the definition of an agent under CIPSEA, and must sign a BLS Agent Agreement.
9. Delegation of Authority for Designating Agents.
- a. The authority for designating agents for access to the confidential National Longitudinal Survey of Youth Geocode Files for statistical research is hereby delegated to the Senior Research Economist for Employment Research and Program Development.
  - b. The authority for designating agents for access to the confidential Census of Fatal Occupational Injuries Research File for statistical research is hereby delegated to the Assistant Commissioner for Safety, Health, and Working Conditions.
  - c. The authority for designating agents for access to all other BLS confidential information is delegated to the Associate Commissioner for the office in which the confidential information is maintained.



- d. The authority for designating agents for administrative statistical activities that involve access to confidential information is delegated to the Associate Commissioner for Administration.
  - e. The authority for designating agents for the provision of contracted services to the BLS that involve access to confidential information is delegated to the Contracting Officer and the Contracting Officer's Technical Representatives assigned to oversee work on individual contracts.
  - f. The authority for designating agents for the purposes of carrying out statistical activities with State agencies with which the BLS has written agreements is delegated to the Associate Commissioner for Field Operations and the Regional Commissioners.
  - g. The authority for designating agents for access to BLS confidential information for authorized fellowship programs is delegated to the Associate Commissioner for Survey Methods Research.
10. Implementation. In the execution of this general policy concerning confidential BLS records, the following requirements shall be in effect:
- a. Data collected in cooperation with another Federal or State agency for exclusively statistical purposes under a pledge of confidentiality are covered by the policy of this Order and by applicable Federal laws governing the handling of confidential information.
  - b. Files maintained by another Federal or State agency that are commingled with confidential information collected by BLS for exclusively statistical purposes under a pledge of confidentiality are covered by the policy of this Order and by applicable Federal laws governing the handling of confidential information. Further, any data, including publicly available data, that are commingled with confidential information covered by this Order are to be treated as confidential and handled in accordance with this policy.
  - c. Universe lists derived from data provided to the BLS for exclusively statistical purposes under a pledge of confidentiality shall be kept confidential.
  - d. The survey sample composition, lists of reporters, names of respondents, and brand names shall be kept confidential, regardless of the source of such lists or names.
  - e. Publications shall be prepared in such a way that they will not reveal the identity of any specific respondent and, to the knowledge of the preparer, will not allow information concerning the respondent to be reasonably inferred by either direct or indirect means.
  - f. Frequency count data of establishments tabulated by the Quarterly Census of Employment and Wages (QCEW) are not considered confidential since general information about an establishment, particularly information on the establishment location and line of business (or industry) that would be used in a frequency count table, is publicly available. All other information maintained by BLS in the QCEW file, including the employment and wages of establishments, is considered confidential and must be handled in accordance with this policy and applicable Federal law.
  - g. Graphical representations of data, including maps, may be disclosed to the public only if the table underlying the graphical representation meets BLS disclosure criteria.



- h. All individuals or organizations, government or private, who enter into a contract or other agreement with the BLS for the collection, processing, maintenance, or storage of data shall conform to CIPSEA and other applicable Federal laws, to the BLS confidentiality policy, to Commissioner's Order 3-00, "Contracts and Agreements Involving BLS Confidential Data or Privacy Act Data," and to all specific procedures published pursuant to this Order.
  - i. Each BLS/State cooperative agreement shall designate a State official to serve as a State Cooperating Representative. The State Cooperating Representative shall act as the BLS representative for ensuring that all provisions of the BLS confidentiality policy are understood and complied with in the cooperating State agency. The State Cooperating Representative and all other State agency personnel who receive access to BLS confidential information must be designated agents of the BLS in accordance with Section 8, "Designation of Authorized Persons."
  - j. Any restrictions placed by international sources upon the use of data obtained from those sources shall be observed. Also, any limitations placed by the Department of State or other agency upon the use, dissemination, or handling of data obtained through Foreign Service channels shall be observed wherever applicable.
  - k. BLS officers, employees, and agents who are responsible for collecting data shall not sign any confidentiality agreements required by respondents. Such agreements may be forwarded to the Division of Management Systems for consideration. Signing of building entrance logs, which sometimes may contain confidentiality language, is allowed.
  - l. Programs are responsible for complying with Disclosure Review Board (DRB) policies established under BLS Statistical Policy Directives. In addition, when specific disclosure limitation issues arise, programs are responsible for consulting with the DRB prior to disseminating potentially confidential information.
  - m. In order for data obtained solely from a publicly available source to be covered under this Order, a pledge of confidentiality must be provided to the person or organization that is the subject of the information.
  - n. Programs may provide data to other BLS programs, with management approval, for the statistical purposes of data reconciliation.
  - o. Under limited circumstances, advance release of pre-release economic data is permitted with the authorization of the Commissioner. Advance release of embargoed data is permitted only under the conditions set out in Commissioner's Order 4-00, "Advance Release of Embargoed News and Data Releases." Advance release of non-embargoed data is permitted only under the conditions set out in Commissioner's Order 1-05, "Authorizing Advance Access to or Publication of Non-Embargoed News and Data Releases."
11. Exceptions Under Conditions of Informed Consent. Exceptions to the general policy relating to the disclosure of confidential information set forth in Section 7, "Policy," or to the provisions listed in Section 10, "Implementation," shall be granted only under the conditions of informed consent. Proposed informed consent arrangements shall be developed in consultation with the Division of Management Systems and must be authorized by the Commissioner prior to implementation in accordance with Administrative Procedure 2-06, "Informed Consent Procedures."



12. Assignment of Responsibility.

- a. The Commissioner of Labor Statistics approves all confidentiality policies and procedures related to the protection of BLS confidential information and decides all requests for public disclosure of data collected by the BLS.
- b. The Associate Commissioner for Administration is assigned responsibility for the following:
  - (1) Developing and overseeing all BLS-wide policies and procedures for the safe handling of BLS confidential information.
  - (2) Ensuring BLS-wide compliance with confidentiality laws, policies, and procedures.
  - (3) Overseeing the development and implementation of regular confidentiality training for all BLS employees and agents.
  - (4) Serving as a BLS Disclosure Officer deciding on requests for public disclosure of BLS confidential information under the Freedom of Information Act (FOIA) and for establishing BLS-wide procedures for the handling of requests for records under FOIA.
- c. All Associate Commissioners are responsible for ensuring full compliance with all confidentiality laws, policies, and procedures within their organization.

13. Disciplinary Actions. It is the policy of the BLS to enforce the provisions of this Order to the full extent of its authority. Any unauthorized disclosure or use of confidential information by a BLS officer or employee may constitute cause for the BLS to take disciplinary action against that officer or employee including, but not limited to, reprimand, suspension, demotion, or removal. Any unauthorized disclosure or use of confidential information by a BLS contractor or other agent may constitute cause for removal from further work under the contract or other agreement through which access to confidential information is authorized or termination of the contract or other agreement. Furthermore, a knowing and willful disclosure by a BLS officer, employee, or agent of respondent identifiable information collected for exclusively statistical purposes under a pledge of confidentiality would be a violation of CIPSEA and potentially other applicable Federal laws that carry criminal fines and penalties.

14. Effective Date. This Order is effective immediately.

PHILIP L. RONES  
Acting Commissioner of Labor Statistics



ATTACHMENT III

Bureau of Labor Statistics  
Confidentiality Training for Offsite Contractors and State Employees

Instructions for the BLS Confidentiality Training

Welcome to the BLS Confidentiality Training!

This training consists of a series of informational screens. After information has been presented to you, review questions will appear periodically. Your answers will not be scored or recorded, but you will receive feedback based on your answers. You may exit and return to the training where you left off. The estimated completion time is 30 minutes. This training is required in accordance with the Confidential Information Protection and Statistical Efficiency Act (CIPSEA) of 2002. Therefore, your completion of this training will be recorded.

If you have any questions regarding the information covered in this training or experience technical difficulties, please send an email to [ICTHelp@bls.gov](mailto:ICTHelp@bls.gov) or call the Division of Management Systems at (202) 691 - 7628.

\*\*\*\*\*

Objectives of this Training

Since you are conducting work for the Bureau of Labor Statistics (BLS), it is critical that you understand what information held by the BLS is confidential and how to protect it.

The goals of this presentation are to:

1. Provide you with a basic understanding of BLS confidential information.
2. Introduce you to the laws governing BLS confidential information.
3. Introduce you to BLS policies established to protect confidential information.

\*\*\*\*\*

BLS Mission

The Bureau of Labor Statistics (BLS) is the principal fact-finding agency for the Federal Government in the broad field of labor economics and statistics. The BLS is an independent national statistical agency that collects, processes, analyzes, and disseminates essential statistical data to the American public, the U.S. Congress, other Federal agencies, State and local governments, business, and labor. The BLS also serves as a statistical resource to the U.S. Department of Labor (DOL).

BLS data must satisfy a number of criteria, including relevance to current social and economic issues, timeliness in reflecting today's rapidly changing economic conditions, accuracy and consistently high statistical quality, and impartiality in both subject matter and presentation.

Carrying out the BLS mission in a secure confidential manner is essential in order to maintain credibility and trust with our data users, cooperation with our data providers, and integrity of the BLS and our statistics. Confidentiality protections for our data are critical to every aspect of this mission.

\*\*\*\*\*

Standard BLS Confidentiality Pledge

When collecting data, the BLS makes a pledge of confidentiality to its respondents. The actual pledge given varies depending on the context of each survey. The standard BLS pledge is stated below.

“The Bureau of Labor Statistics, its employees, agents, and partner statistical agencies, will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) (Title 5 of Public Law 107-347) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent.”



**Identifiable Form:** Any representation of information that permits the identity of the respondent to whom the information applies to be reasonably inferred by either direct or indirect means.

**Informed Consent:** The process by which the BLS seeks the permission of a survey respondent to release information originally provided under a pledge of confidentiality.

\*\*\*\*\*

What is a Statistical Purpose?

A statistical purpose is defined as the use of data to describe, estimate, or analyze the characteristics of groups, without identifying individual respondents.

Much of the data and analyses produced by the BLS are issued in the form of news releases, summaries, and reports. Data are presented in aggregate or summary form in these documents. Therefore, individual responses or respondents will not be able to be identified.

Nonstatistical purposes involve using information in identifiable form for any purpose that is not statistical, such as administrative, regulatory, law enforcement, judicial, or any other purposes that may affect the rights, privileges, or benefits of a respondent.

\*\*\*\*\*

Which of the following uses of confidential BLS survey information is for a statistical purpose?

- A. Using survey information reported by a company to determine whether that survey respondent is in compliance with regulations.
- B. Using survey information to study the impact of regulations on an industry.
- C. Neither of the above.

\*\*\*\*\*

**Answer: B.** A statistical purpose is defined as the use of data to describe, estimate, or analyze the characteristics of groups without identifying individuals. Analysis aimed at studying the impact of regulations on an industry as a whole is an example of a statistical purpose. In contrast, using data to report on the compliance of an individual business establishment is an example of a non-statistical purpose. Using information in identifiable form in a way that affects the rights or privileges of a specific individual is considered a non-statistical purpose and is strictly prohibited by law and BLS policy.

\*\*\*\*\*

Types of Confidential Information

Confidential information maintained by BLS includes: respondent identifiable information, pre-release economic data, embargoed data, and Personally Identifiable Information. More detail on each of these types of data is provided below.

1. Respondent identifiable information (sometimes called "respondent data" or "microdata") are any presentation of information that permits the identity of the respondent to whom the information applies to be reasonably inferred by either direct or indirect means. Examples of these type of data include names, addresses, and responses to survey questions.
2. Pre-release economic data ("pre-release data") are statistics and analyses that have not yet been officially released to the public, whether or not there is a set date and time of release before which they must not be divulged.
3. Embargoed data are pre-release economic data for the seven Principal Federal Economic Indicators produced by the BLS, as designated by the Office of Management and Budget in Statistical Policy Directive Number 3. These seven indicators are: Consumer Price Index, Employment Situation, Employment Cost Index, Producer Price Indexes, Productivity and Costs, Real Earnings, and U.S. Import and Export Price Indexes.
4. Personally Identifiable Information (PII) refers to any information about an individual maintained by an agency, including, but not limited to, education, financial transactions, medical history, and criminal or employment history and information which can be used to distinguish or trace an individual's identity, such as their name, social security number, date and place of birth, mother's maiden name, biometric records, etc., including any other personal information which is linked or linkable to an individual. These data are protected under the Privacy Act of 1974.



\*\*\*\*\*

**Why is Protecting Data so Important?**

**1. Because it makes sense...**

The BLS must protect respondent data because:

- Most of these data are provided to the BLS voluntarily.
- The BLS promises its respondents that these data will be kept confidential and will be used only for the statistical purposes specified at the time of collection.

Public confidence and willingness to cooperate in statistical programs substantially affects both the accuracy and completeness of statistical information and the efficiency of the programs.

The BLS must keep pre-release data confidential because these data:

- Have significant commercial value.
- May affect the movement of financial markets.
- May be taken as a measure of the impact of government policies.

Keeping these data confidential until their release guarantees that no one can gain an economic or political advantage through advance knowledge of the information, and protects the integrity and credibility of the BLS.

\*\*\*\*\*

**2. Because it's the law...**

The BLS must also protect respondent data because it's the law. The main laws governing the handling of confidential or private information are:

- The Confidential Information Protection and Statistical Efficiency Act.
- The Privacy Act.
- The Trade Secrets Act.
- The Workforce Investment Act.

We will now introduce the primary guides available to help you protect confidential information from improper use or disclosure. First, we'll go over the above laws governing the handling of confidential data. Then we'll discuss internal BLS policies. As an employee or agent of the BLS, you are responsible for being familiar with, and for following, the rules set forth in these guides.

\*\*\*\*\*

Confidential Information Protection and Statistical Efficiency Act of 2002 (Title 5 of Public Law 107-347)

**CIPSEA prohibits disclosure, or release, of information which is collected under a pledge of confidentiality for exclusively statistical purposes.**

**Willful and knowing disclosure of protected data may result in being charged with a felony and criminal penalties of up to five years imprisonment and a \$250,000 fine.**

**Confidential data may be disclosed only with the respondent's informed consent, which is further explained later in this presentation.**

-----

***Disclosure: The release of confidential information to anyone other than authorized persons or the respondent who provided or is the subject of the data.***

***Informed Consent: The process by which BLS seeks the permission of a survey respondent to release information originally provided under a pledge of confidentiality.***



\*\*\*\*\*

**Privacy Act**

The Privacy Act requires Federal agencies to protect personal information it collects and maintains on individuals, also known as Personally Identifiable Information, from disclosure. The Privacy Act data held by the BLS come from two main sources:

- survey respondents and data users
- BLS employees and contractors

The Privacy Act gives individuals the right to view records containing personal information about them. It also gives them the right to request corrections to such records if errors are found.

-----

*Individuals: Citizens of the United States or aliens lawfully admitted for permanent residence.*

\*\*\*\*\*

*A respondent provides various answers to questions for a BLS household survey. At a later point in time, the respondent wants copies of the information they have provided to the BLS. Must the BLS hand over such documentation to the respondent?*

Yes       No

\*\*\*\*\*

**Answer: Yes.** The respondent has a right to his own records under the Privacy Act, but appropriate Privacy Act procedures must be followed. In all cases, consult with your supervisor or designated BLS official to ensure proper procedures are followed.

\*\*\*\*\*

**Trade Secrets Act**

The Trade Secrets Act prohibits the disclosure of confidential business information collected and maintained by the government. Examples of this type of information collected and held by the BLS include information about a business establishment's profits, losses, or expenditures.

Unauthorized disclosure of confidential business information may result in criminal penalties of up to one year imprisonment and/or a fine.

\*\*\*\*\*

**Workforce Investment Act**

Like CIPSEA, the Workforce Investment Act prohibits the disclosure of data collected for statistical purposes. This law applies to employment data collected by BLS.

Confidential data may be disclosed only with the respondent's informed consent.

\*\*\*\*\*



Know the BLS Confidentiality Policy

Now that you are familiar with the laws that help protect confidential data, we'd like to introduce you to the BLS-specific policies regarding information protection. There are four main directives that provide information on the handling of confidential information. They are:

1. Commissioner's Order 1-06 –  
"Confidential Nature of BLS Statistical Data"
2. Administrative Procedure 2-05 –  
"Responsibility for Safeguarding Confidential Information"
3. Administrative Procedure 2-07 –  
"Procedures for Reporting the Unauthorized Disclosure of Confidential BLS Information and/or the Loss of Computing Devices"
4. Commissioner's Order 3-91 -  
"Bureau Policy on Data Collection Integrity"

In the next few screens you will be introduced to the main points of each policy. As an employee or agent of the BLS, it is important that you read each of the above documents and become familiar with these policies. BLS Employees promise to protect confidential data by taking the Federal government Oath of Office and by signing an "Employee Acknowledgement Letter." State employees and employees of offsite contractors promise to protect confidential data by signing a legal document called a "BLS Agent Agreement."

\*\*\*\*\*

Commissioner's Order 1-06

Confidential Nature of BLS Statistical Data

Commissioner's Order 1-06 states the BLS policy concerning the confidential BLS confidential records. The two main elements of the BLS policy on confidentiality are:

1. Respondent identifiable information collected or maintained by, or under the auspices of, the BLS for exclusively statistical purposes and under a pledge of confidentiality shall be treated in a manner that will ensure that the information will be used only for statistical purposes and will be accessible only to authorized persons.
2. Pre-release economic data, including embargoed data, prepared for release to the public will not be disclosed or used in an unauthorized manner before they officially have been released, and will be accessible only to authorized persons.

Authorized persons include:

BLS Employees:

- BLS employees who sign the BLS Employee Acknowledgement Letter (EAL) when they enter on duty.

BLS-designated Agents who have signed a BLS Agent Agreement:

- State agency employees who are directly involved in BLS/State cooperative programs.
- Contractor employees who have access to BLS confidential information.
- Employees of a Federal agency other than the BLS that have a formal agreement with the BLS to access BLS confidential information.
- Outside researchers who have a formal agreement with the BLS to conduct specific statistical research projects.



Authorized persons are permitted to access only confidential data that are integral to the program or project on which they work, and only to the extent required to perform their duties.

\*\*\*\*\*

*When the BLS collected data on a BLS survey, the BLS pledged to treat the information as confidential. As an employee or agent with access to confidential information, you may:*

- A. Share identifiable respondent information only with other employees of the BLS and its agents authorized to access the information.
- B. Share identifiable information with persons who do not work for the BLS or its agents only if there is a formal written access agreement in place.
- C. Use the information for official BLS statistical purposes.
- D. All of the above.

\*\*\*\*\*

**Answer: D.** Each employee with access to confidential survey information may only share respondent identifiable information with other BLS employees or agents authorized to see the data ensuring the information is only used for official BLS statistical purposes.

\*\*\*\*\*

*Horatio is a state employee involved in a BLS/State Cooperative Program and is a designated agent of BLS. Augustus is an IT Specialist employed by the state who occasionally sees confidential data on Horatio's screen due to the intricacies of his job as an IT Specialist. Augustus is not designated as a BLS agent. Is this allowable?*

- Yes
- No

\*\*\*\*\*

**Answer: No.** Only BLS officers, employees, and agents can access confidential information the BLS collects for exclusively statistical purposes under a pledge of confidentiality. If Augustus has access to systems containing confidential data, then he must be a designated agent of the BLS and sign the BLS Agent Agreement for State Government Employees.

\*\*\*\*\*

**Informed Consent**

**Commissioner's Order 1-06** explains the conditions that must be met whenever the BLS uses or discloses confidential data for non-statistical purposes. When any of the following conditions is met, the BLS is said to have the "informed consent" of a respondent for such disclosure.



1. The BLS must show the respondent a confidentiality statement that specifies the intended disclosure or non-statistical use prior to collecting the data. For example, in the Annual Refiling Survey, the BLS informs respondents on the survey form that the data will be used in administering the State Unemployment Insurance program.
2. The respondent gives written permission to the BLS to disclose confidential information or to use it for non-statistical purposes after the data have been collected. For example, in the Occupational Employment Statistics program, the BLS asks selected respondents, after the data are collected, for written consent to publish estimates that potentially could be attributed to those respondents.
3. Respondents may verbally give their informed consent under certain limited circumstances. A verbal consent procedure using approved written notification documentation may be followed when it is necessary to facilitate data collection. An example of such an occasion would be when a data collector needs to approach a secondary source for the information, such as an insurer, union, benefit administrator, broker, or auto parts dealer.

Except as outlined in Section 11, "Exceptions Under Conditions of Informed Consent," of Commissioner's Order 1-06, the informed consent provisions above may be used only with prior authorization of the Commissioner as directed by Administrative Procedure 2-06, Informed Consent Procedures.

\*\*\*\*\*

**Administrative Procedure 2-05  
Responsibility for Safeguarding Confidential Information**

You, as an agent of the BLS have a responsibility to safeguard confidential information. Procedures designed to safeguard confidential information are contained in Administrative Procedure 2-05. Below is a brief summary of this directive.

- Do not share confidential information with anyone who is not authorized to receive it. Ask your supervisor to explain who is authorized in your program.
- Do not disclose or discuss with unauthorized persons specific statistical methods used to limit disclosure of data that might reveal the identity of a specific survey respondent, such as the statistical techniques used to suppress sensitive cells in published tables.
- Report any confidentiality breaches that you may become aware of to your supervisor who must report the breach immediately to the designated BLS official.
- Uphold the BLS confidential information policies and procedures.
- Follow all BLS-wide and program-specific security procedures and precautions when producing, using, storing, printing, and transmitting confidential data.

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*Breach: An unauthorized disclosure of confidential information.*

*Designated BLS official: The State employee's designated BLS official is their BLS regional commissioner. A contract employee's designated BLS official is their COTR (Contracting Officer's Technical Representative).*

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Administrative Procedure 2-07

Procedures for Reporting the Unauthorized Disclosure of Confidential BLS Information and/or the Loss of Computing Devices
It is important to know what to do if you ever encounter a breach of confidentiality. Detailed guidance on the procedures for handling disclosures of confidential information or the loss of computing devices is contained in Administrative Procedure 2-07. If you learn of a possible or actual unauthorized disclosure, follow the guidelines provided in the directive.

- Obtain all details that are immediately available. Do not delay notification in order to gather additional information. If you learn of a disclosure from a news organization contact or someone else outside the BLS, ask for available details as well as the person's name and phone number.
Notify your supervisor either in person or by telephone without delay. If your supervisor is not available, notify the next individual in your chain of command. The designated BLS official should be contacted with report of the breach by your supervisor. Voicemail or email is not adequate to meet this notification requirement because there may be a delay in it being received.

\*\*\*\*\*

If you become aware of a disclosure of confidential information, you should immediately send an email to your supervisor about the disclosure.

\_\_\_ True \_\_\_ False

\*\*\*\*\*

Answer: False. You must contact your supervisor in person or by phone. Email and voicemail are not appropriate methods of communication because delays can occur.

\*\*\*\*\*

Commissioner's Order 3-91
Bureau Policy on Data Collection Integrity

Commissioner's Order 3-91 states the BLS policy regarding the integrity of the BLS data collection process. This policy document states that all survey information collected must be sound, complete, and of the highest possible quality.

Data must be obtained from the appropriate company official or respondent and the data entries must accurately report the data and responses they provided.

Employees and agents must not deliberately misrepresent the source of the data, the method of data collection, the data received from respondents, or entries on administrative reporting forms, such as time and expense reports.

Any violation of this policy by an agent may result in the termination of the contractual agreement under which the data are collected.

\*\*\*\*\*

Some Good Practices When Handling Confidential Information

Take a personal interest in the security of confidential material in your office and work area. Keep the following practices in mind when handling confidential materials.



- Do not throw listings that contain respondent-identifying information, address labels, survey forms, hand-written notes about respondents, or other confidential material in the trash or the recycle bin. Instead, make sure the material is shredded or put in confidential disposal bins for shredding.
- Do not reuse confidential listings by printing other information on the back as a way to save paper.
- Keep confidential material where it cannot be seen by unauthorized persons when you are away from your desk.
- Do not take confidential material (respondent data, embargoed data, and other pre-release economic series data) offsite. Field Data Collection personnel are authorized to access Respondent Identifiable Information offsite as necessary to conduct their assigned offsite data collection responsibilities.
- Do not discuss respondent-identifying information with another respondent, or with unauthorized persons such as friends or family.
- If you notice a security-related problem, point it out to your co-workers, your supervisor, and your designated BLS official.
- If you have a suggestion to improve security, raise it with your supervisor or designated BLS official.
- If you have questions about what items are, and are not, confidential, ask your supervisor or designated BLS official.

\*\*\*\*\*

*Mark has printed confidential data that must be disposed of via a confidential disposal bin. When he goes to dispose of the data, the confidential bin is full. Mark places the confidential documents on top of the disposal bin with a note to his co-workers to please place the document in the confidential bin when the confidential bin is emptied. All of his co-workers have access to this same confidential data. Is placing the confidential data on top of the disposal bin with a note the proper course of action?*

Yes       No

\*\*\*\*\*

**Answer: No.** Mark should not leave any confidential data out in the open. While his co-workers have access to the same data, there is a distinct possibility that other employees or visitors may enter the office and see such data. Mark should take the data back to his desk and lock it up. When Mark sees there is enough room to dispose of the data, he should place the document in the confidential bin.

\*\*\*\*\*

**Avoid Indirect Disclosure of Confidential Data**

The BLS must take precautions to avoid releasing information that, when combined with other publicly available information, may indirectly reveal the identity of respondents or the data they have provided. Here are examples of how this might happen.

- Publishing statistical estimates generated from a small number of survey responses might permit users to figure out who the respondents are and which data they reported.
- Releasing microdata, even with the names and addresses of the respondents removed, might permit users to figure out who some of the respondents are from the nature of business, geographic location, employment size, or other information the respondents reported.

If you have questions about the precautions BLS takes to avoid indirect disclosure, ask your supervisor or designated BLS official.



\*\*\*\*\*

*A reporter from Wyoming asks for microdata from a BLS survey for the State of Wyoming. Can such information be provided?*

Yes       No

\*\*\*\*\*

**Answer: No.** The BLS has pledged to protect, to the full extent permitted by law, the identity of all individuals and establishments for whom data are included in the BLS database. Through CIPSEA, such data will not be released to the requestor because individual responders may possibly be identifiable through inference.

\*\*\*\*\*

Ethical Guidelines that Apply to Pre-release Information

**Commissioner’s Order 4-05** provides guidance on how the Standards of Ethical Conduct apply to employees making financial transactions with knowledge of BLS pre-release data. Because financial markets can be influenced by the release BLS data, BLS employees are prohibited from using nonpublic information for personal gain. All agents designated by the BLS who have access to pre-release data are prohibited under the terms of their contracts or data access agreements from releasing the data to unauthorized individuals or gaining financially from knowledge of the data.

\*\*\*\*\*

**Electronic Data Collection Processes**

BLS must balance the advantages and efficiencies that technology offers with the data security concerns that come along with it. Certain processes that involve recurring electronic communication of data to or from respondents may be acceptable from a security standpoint. Any such process must be reviewed by a BLS security panel and approved by the Deputy Commissioner.

BLS Administrative Procedure 5-99 provides general criteria for what processes are subject to this requirement. Ask your supervisor or designated BLS official if you have specific questions.

Review and authorization of an electronic transmission of respondent-identifying data between BLS and respondents are required:

- Before substantial resources are put into developing the process
- Before the process is put into use
- Whenever the process undergoes certain types of major revision

Certain types of electronic data collection do not have to be approved. Examples include:

- Electronic data transmissions within BLS premises, between BLS premises and BLS-contracted computing centers, between BLS premises and State agencies participating in BLS statistical programs, and between BLS premises and offsite BLS employees/contractors.
- Electronic data collection processes that involve no transmission of respondent-identifying data to or from respondents, such as setting an appointment.



**Designated BLS official: The State employee's designated BLS official is their BLS regional commissioner. A contract employee's designated BLS official is their COTR (Contracting Officer's Technical Representative).**

\*\*\*\*\*

Use of Email in Data Collection

**Transmitting confidential data through email introduces two security risks.**

- 1. Data may be intercepted and altered by unauthorized persons.**
- 2. Data are subject to inadvertent disclosure by the use of incorrect group names, accidental forwarding, etc.**

Requirements for using email in data collection have been established. The main guidelines are summarized below.

- **Email data collection should only be used as a last resort and in isolated instances.**
- **Do not use email in data collection unless it is necessary to obtain cooperation or a usable response from a respondent.**
- **If you use email for data collection you must send the respondent the "Statement to Respondents on the Use of Electronic Data Transmission." This statement makes respondents aware that using email involves some risk the security of their data. The statement should be provided when a respondent first uses email and when the contact person for a respondent changes.**
- **Limit transmission of confidential data by email to the special circumstances defined in the memorandum, "Use of Email in Communicating Confidential Respondent Information".**

\*\*\*\*\*

Use a Password-Protected Screen-Saver

**Using a password-protected screen-saver minimizes the likelihood of an unauthorized user making some undesired changes to your PC or laptop.**

Safeguarding Laptops

**Do not leave laptops unattended. Laptops are easy to steal and, if stolen, could provide access to the BLS network and its resources.**

**If confidential data are stored on a laptop, such as during on-site data collection, you should take extra care to ensure the laptop is kept secure.**

**What should you do if you lose your laptop? Contact your supervisor who will then contact the designated BLS official immediately.**

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**Designated BLS official: The State employee's designated BLS official is their BLS regional commissioner. A contract employee's designated BLS official is their COTR (Contracting Officer's Technical Representative).**

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Preventing the Spread of Email Viruses

Computer viruses often spread through attachments to email messages. Often these viruses are so new that virus protection software cannot detect them. The guidelines below have been developed to prevent you from contracting or spreading email viruses.

- **If you receive an email message with an attachment, and either did not expect it or do not know the source of the message, DO NOT open or view the attachment.**
- **If you opened a Word document attachment and you are prompted with any macro warnings, choose to Disable Macros. Do not enable macros until you have confirmed that the file has come from a trusted source.**

\*\*\*\*\*

Other Important Security Practices

- **Log off and turn off your PC when you leave for the day.**
- **While working, be aware of the visibility of data on your personal computer display screen.**
- **Make sure you know the physical location of the printers set up for your use. Verify the printer selected when printing confidential or pre-released data. Pick up printouts promptly.**



ATTACHMENT IV

BLS AGENT AGREEMENT

State: MICHIGAN

1. I, Jay A. Mousa, an authorized official of the Bureau of Labor Statistics (BLS), U.S. Department of Labor, hereby designate \_\_\_ as a temporary Agent of the BLS, within the meaning of the Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA), Public Law 107-347 (Exhibit A), to serve in accordance with this Agent Agreement, the Cooperative Agreement and any other agreements entered into between the BLS and Department of Labor & Economic Growth, Bureau of Labor Market Information, and in accordance with applicable Federal law.

2. I, \_\_\_, hereby accept the designation as Agent in paragraph 1. I certify that I have read all applicable agreements between the BLS and the State agency and promise that I will comply with all provisions of this Agent Agreement, the Cooperative Agreement or any other agreements between the BLS and the State agency, and applicable law. I will assure that my actions or inactions do not cause the State agency to violate its responsibilities under those agreements. I specifically swear to comply with all provisions of law that affect information acquired by the BLS, including, but not limited to, the Trade Secrets Act and the Confidential Information Protection and Statistical Efficiency Act of 2002, and I understand that my failure to comply with these provisions may subject me to criminal sanctions. I also agree to comply with all other BLS information policies.

3. We, the parties to this agreement understand that the BLS is granting the Agent access to confidential information only for the purpose of carrying out the Agent's responsibilities under written agreements between the BLS and the State agency. The Agent will not seek or obtain such confidential information for any other purpose.

4. We, the parties, understand and agree that the activities performed by and any outputs produced by the Agent under this agreement are subject to review upon request by the assigned BLS Regional Commissioner or any other BLS official that the BLS designates for verification that the activities are statistical in nature and that outputs do not contain respondent-identifying data.

5. We, the parties, understand and agree that the Agent will not be an employee of the United States for any purpose and will not receive compensation or payment of any kind from the BLS or the Government in connection with the Agent's activities under this agreement or any other agreements between the BLS and the State agency. Neither this agreement nor any agreement between the BLS and the State agency provide any right of access to BLS information. The parties also understand and agree that the BLS may decline to give the Agent access to information and/or to terminate this agreement at any time, without notice. The parties agree that neither this agreement, nor any termination thereof will result in any legal liability by the BLS or the Government; however, termination will not affect the Agent's continuing obligation to safeguard all confidential data, and it will not affect any license granted to the Government pursuant to section 6.

6. We, the parties, understand and agree that for the purposes of the copyright laws any product developed under this agreement is in the public domain and is therefore not subject to copyright protection. However, it is also understood that confidential information remains fully protected from improper disclosure and use as provided by law and this agreement.

7. I, \_\_\_, will notify the BLS if I should no longer be affiliated with the State agency or of any change of status with the State agency.

8. I, \_\_\_, fully understand my responsibilities to protect confidential information. I will comply with all security requirements and will avoid all improper use or disclosure of confidential information. I understand that under Section 513 of CIPSEA, the penalty for a knowing and willful disclosure of confidential information is a class E felony with a fine of not more than \$250,000 or imprisonment for not more than 5 years, or both.

\_\_\_\_\_  
\_\_\_\_ (Position/Title)  
Action Data, Inc.  
**ALL BLS PROGRAMS**  
Department of Labor & Economic Growth/  
Bureau of Labor Market Information & Strategic Initiatives

\_\_\_\_\_  
Date

\_\_\_\_\_  
Jay A. Mousa  
Regional Commissioner  
Bureau of Labor Statistics

\_\_\_\_\_  
Date