

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

CONTRACT NO. 071B5500042
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Datapak Services Corporation 1000 Austin Court Howell, MI 48843	Robert Lahiff	rlahiff@datapakservices.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 552-1400 x3065	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DCH	Laura Dotson	(517) 241-4686	Doston1@michigan.gov
	DEQ	Jack Schinderle	(517) 284-6570	SchinderleJ@michigan.gov
	DTMB – LMISI	Wayne Rourke	(313) 456-3100	RourkeW@michigan.gov
BUYER:	DTMB	Chelsea Edgett	(517) 284-7031	EdgettC@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Descriptive Contract Title (Not always the same language as provided in MAIN)			
Data Entry Services for the Department of Community Health (DCH), the Department of Environmental Quality (DEQ), and the Department of Technology, Management & Budget (DTMB) Bureau of Labor Market Information and Strategic Initiatives (LMISI)			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
Three (3) Years	12/1/2014	11/30/2017	2; one year
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 checked="" type="checkbox"/> YES <input type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:		\$975,397.50	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #007114B0002840. Orders for delivery will be issued directly by the Department of Technology, Management & Budget through the issuance of a Purchase Order Form.

Notice of Contract #: 071B5500042

FOR THE CONTRACTOR:	FOR THE STATE:
Datapak Services Corporation	Signature
Firm Name	Tom Falik, Services Division Director
Authorized Agent Signature	Name/Title
Authorized Agent (Print or Type)	DTMB Procurement
Date	Enter Name of Agency
	Date



STATE OF MICHIGAN

Contract No. 071B5500042

Data Entry Services for the Department of Community Health (DCH), the Department of Environmental Quality (DEQ), and the Department of Technology, Management and Budget (DTMB) Bureau of Labor Market Information & Strategic Initiatives (LMI)

EXHIBIT A STATEMENT OF WORK CONTRACT ACTIVITIES

Background

The Data Entry Services statement of work includes three different agencies, Department of Community Health (DCH), Department of Environmental Quality (DEQ), and Department of Technology, Management and Budget (DTMB) Bureau of Labor Market Information & Strategic Initiatives (LMISI), these agencies have their own objectives, work requirements and specifications as listed.

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

Department of Environmental Quality (DEQ)

The State of Michigan Department of Environmental Quality has one encoding job for its Office of Waste Management and Radiological Protection, Uniform Hazardous Waste Manifest (TSDF copy). Contractor must encode 150,000 documents annually with 99.5% accuracy while still meeting the set deadline of five days per received batch.

Bureau of Labor Market Information and Strategic Initiatives (LMISI)

The Bureau of Labor Market Information and Strategic Initiatives (LMISI), an agency under the Michigan Department of Technology, Management and Budget (DTMB) operates under a Cooperative Agreement with the U.S. Department of Labor, Bureau of Labor Statistics (BLS). As such, LMISI collects confidential data from Michigan employers for the purpose of forecasting unemployment and employment rates and trends on behalf of the federal government. Non-confidential data on employment rates and trends is then shared with other state agencies, municipal governments and other entities as requested or required. Collection of this data involves the use of several different forms which employers complete and return.

1.0 Requirements

1.1 In Scope

The Contractor must 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 Year's 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 1st
Third Monday in January
Third Monday in February
Last Monday in May
July 4th
First Monday in September
November 11th
In even-numbered years
Fourth Thursday in November
Friday following Thanksgiving
December 24th
December 25th
December 31st

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

1.1.1 Locations

Contractor must self-perform all data entry work at their headquarters in Michigan.

1.1.2 Security Protocols

Contractor must maintain stringent physical security and technology security, ensuring State data and documents are protected during their entire time with them. This requires protection in the vehicles, at Contractor's facility and in Contractor's technology network.

1.1.3 Data Transport

1. Data and documents must be picked up in Contractor owned vehicles by a driver who has passed necessary background screening.
2. Data and documents must be locked in an enclosed space in a temperature controlled vehicle. Vehicles must be available for every pickup and drop off.
3. Vehicle size varies from minivan to 14' box truck; all have temperature controls and locked enclosures for contents.

1.1.4 Facility

1. Contractor must have physical firewalls in place through electronic card access controls, closed security video surveillance, locked storage and effective burglar and fire alarm systems.
2. In addition, physical data is stored on site in locked, Underwriters Laboratory certified fire-resistant cabinets in areas of restricted access.

1.1.5 Data Confidentiality

Data must be transported, stored and entered. In this process, it will be touched by people and technology, both of which must be addressed in order to assure data confidentiality.

Datapak must develop a customized Standard Operating Procedure (SOP) for the pickup and return of State data. The Contractor's driver will log all items received, requesting initials from the State to affirm receipt of all batches. For departments that require it, the driver will be trained regarding the Batch Control Form requirement; if a batch slated for pickup is missing this form, he will call attention to the oversight. If a Batch Control Form is not produced, he will immediately contact the Contractor



Project Manager for resolution. If space permits at the State pickup facility, a physical count will also be performed to ensure batch contents match what is on the Batch Control Form.

The SOP referenced above will include all required parameters regarding pickup and transport, including hours for pickup and return for each department and facility and any security parameters involved in performing the pickup and return of data.

1.1.6 Accept at Data Center

Contractor must treat each exchange of physical data with strong security protocols. When the data arrives at the headquarters, the Project Manager or Data Center Supervisor will immediately conduct in-processing, physically receiving the data from the driver.

Key information from the Batch Control Form into the proprietary order fulfillment and data processing system. In order to identify and avoid discrepancies, Contractor will customize this entry to include as many validating data pieces as possible; at a minimum, the Contractor will enter an index number to identify the batch, the quantity of forms included in the batch, date received and deadline for completion. Any discrepancies noted will be double checked, and if validated, immediately communicated to the State.

1.1.7 Store Until Assignment

Once entered into Contractor's data processing system, the Project Manager or Data Entry Supervisor must store the batch in locked, Underwriters Laboratory certified fire-resistant cabinets. These cabinets are housed in an area physically restricted, with badge access only by those with user permissions to enter the area. Each batch is stored in separate bins within a cabinet storage system, ensuring they are not comingled.

1.1.8 Assign to Data Entry Specialists

The Contractor must assign a primary project team of both account and operational leaders and employees to serve them. In addition, Contractor will train alternates to fill in during periods of high volume or time off for primary team members. This team must receive customized training regarding the requirements and critical steps of the contract, including any confidentiality provisions and prohibited use of data required by the client. In addition, physical and electronic access to each client's records are restricted to only those employees requiring it – and who have gone through training and background checks required for that account.

Contractor must maintain a PCI Level 1 Compliance, by conducting background checks on every employee who has access to confidential client data. Each employee will sign a confidentiality agreement, provided or approved by the State of Michigan.

1.1.9 Entry and Validation of Data

When batches are assigned to data entry specialists, the assignment is noted in the Contractor's data processing system. Data center specialists are given batches based on their user roles and access. Each specialist is given only one batch at a time for entry; this ensures batches are kept organized and that each batch comes into the Contractor's facility and leaves the facility with the same group of forms.

Each batch of forms will be keyed by two different specialists to ensure data accuracy and integrity. All data entry specialists must be granted access following their vetting and training for the account; firewalls programmed into the system will only allow specific data entry specialists to enter data for the State of Michigan.



Before each batch leaves the Contractor's facility for return to the State, the Project Manager or Data Center Supervisor must conduct a final review of the Batch Control Form and the batch contents to ensure the batch received is consistent with the batch being returned.

1.1.10 Transport Back to State

When the data leaves Contractor's headquarters, the Project Manager or Data Center Supervisor will physically hand the data off to the driver, who will transport it back to Constitution Hall or Cadillac Place in the same company owned vehicles used for the pickup. The driver will hand the data off to the State, requesting a signature in Contractor's log to acknowledge receipt.

Work Statement for the Department of Community Health (DCH)

The State of Michigan, Department of Community Health (DCH) 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 DCH 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 DCH data entry area on other applications dependent 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:

Alphanumeric

Verified .05%

Not Verified .125%

Numeric

Verified .05%

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 5 work days for death records and 10 work days for marriage and divorce records.

- 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 by record type as identified and numbered by MDCH. 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 dependent 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. 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 Pricing sheet –Exhibit C. Categories listed as “per form” must be priced on a per form basis.

DCH DAY TO DAY ADMINISTRATOR

Glenn Copeland
Department of Community Health
Division of Vital Records and Health Statistics
Capitol View Building
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Phone # (517) 335-8677
Fax # (517) 335-8711
e-mail: copelandg@michigan.gov

DCH PROGRAM MANAGER

Kevin Dunn
Department of Community Health
Contract Management Section
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Work Statement for the Department of Environmental Quality (DEQ)

PROBLEM STATEMENT

The Department of Environmental Quality (DEQ), Office of Waste Management and Radiological Protection (OWMRP), tracks all hazardous waste generated in Michigan from generation to final disposal. A multi-part Uniform Hazardous Waste Manifest form (Appendix 1) is prepared and submitted when the form is signed and submitted after the waste has reached its destination. OWMRP receives approximately 150,000 of these forms per year with a fixed number of fields that need to be encoded.

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 or delivery by e-mail.
3. To receive encoded data within the requested turnaround time.
4. To handle the fluctuations in volumes, smoothly without delays.

DEQ PROGRAM MANAGER

Jack Schinderle
Department of Environmental Quality
Hazardous Waste Section – Unit Chief
Constitution Hall, 4th Floor South
Lansing, MI 48913
Phone # (517) 284-6570
SchinderleJ@michigan.gov

TASKS

The following is a preliminary analysis of the major tasks involved for developing the end product of this project.

1. Encode approximate annual keystrokes of 40,400,000.
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 below: 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 2).
 - 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 below under import specifications.
- b. Current key specifications for the Department of Environmental Quality jobs are shown below under import specifications.
- 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 Exhibit C)
- 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.



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 (5 day turnaround)

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)
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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



Work Statement for the Bureau of Labor Market Information and Strategic Initiatives (LMISI)

The Contractor will provide data entry and verification services for two program areas of the Bureau of Labor Market Information & Strategic Initiatives (LMISI); the Occupational Employment Statistics Program (OES) and the Quarterly Census of Employment and Wages (QCEW) Program. The Contractor will compile data from a special ad hoc survey and from the QCEW program to supply data on total employment, gross and taxable wages for the State of Michigan. These batched records are then keyed onto CD's and also transmitted electronically (QCEW) via secured email and delivered back to the bureau. The Contractor also keys employment and wage data reported by employers on OES survey forms into a format readable by the OES Survey Processing and Management system (SPAM). The keyed data are copied onto CDs and returned with the survey forms to OES staff. The Contractor provides service on a monthly basis to the OES section and service to the QCEW section on a quarterly basis. Purchase orders are created on a yearly basis according to the fiscal year. It is estimated that approximately 31,378 records annually for the QCEW program and 12,781 records annually for the OES program will be processed.

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:

 Department of Technology, Management and Budget
 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.
4. Work picked up should be completed and returned to LMISI according to the following schedule.

Job	Pick Up	Delivery Time	On-Site Contact
SPAM (Monthly)	9:30 a.m. 3:30 p.m.	Next Day 3:30 p.m.	Geoffrey Okorom (313) 456-3129
QCEW (Quarterly)		3 Days 9:30 a.m.	Mike Williams (313) 456-3071

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) (Appendix 3) 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 (Appendix 4);
 - (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) right to inspection of Contractor facilities;
 - (e) 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;
 - (f) right to review outputs produced from confidential information prior to release or publication;
 - (g) return or destruction of the confidential information upon termination of the contract; and
 - (h) 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

Numeric

Verified .05%

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 or via electronic file via BLS Email. 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 where they were originally found, not at the end of the job so that staff can locate these corrections.
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. LMISI Contact

Wayne Rourke, 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 Exhibit C, Pricing.

Various LMISI 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 layouts are attached as Appendix 5, Keying Formats and Output Record Layouts.

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 Exhibit 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.
- E. The Contractor will be responsible for LMISI'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 LMISI to correct errors up to the Contractor's total billing price of the batches in error.

1.2 Work and Deliverable

The Contractor will provide Data Entry Services, as needed, throughout the state.

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.

The Contractor shall provide data entry workers who possess demonstrated ability to:

- 1. Utilize skills to enter data rapidly and accurately and prepare clear and accurate documents as needed.
- 2. Respond in a positive and effective manner to corrective feedback provided by state agencies.
- 3. The Contractor shall guarantee that each employee will protect the confidentiality of all information provided to them by the State of Michigan in order to perform their assignments; have an understanding of personal information laws and appropriate data handling practices.
- 4. 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.

1.3 Training

The Data Entry 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 Appendix 6 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.

2.0 Acceptance

2.1 Acceptance, Inspection and Testing The State will use the following criteria to determine acceptance of the Contract Activities:
Each state agency will specify acceptance criteria for their projects below. Acceptance criteria shall also include, but is not limited to, the following:
The state agency Program Manager must approve the services in writing to the Contractor within two (2) weeks from the date of submittal.

3.0 Staffing

3.1 Contractor Representative

The Contractor appoints Derek Olson to serve as aContract Representative and Project Manager, specifically assigned to State of Michigan accounts, that will respond to State inquiries regarding the Contract Activities, answering questions related to ordering and delivery, etc. (the “Contractor Representative”).

The Contractor must notify the Contract Administrator at least 30 calendar days before removing or assigning a new Contractor Representative.

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.

3.2 Customer Service Toll-Free Number

The Contractor’s toll-free number is listed below for the State to make contact with the Contractor Representative. The Contractor Representative must be available for calls during the hours of 8 am to 5 pm EST.

Customer Service Toll-Free Number: (800) 432-8272

3.3 Work Hours

The Contractor must provide Contract Activities during the State’s normal working hours Monday – Friday 7:00 a.m. to 6:00 p.m. EST, and possible night and weekend hours depending on the requirements of the project.



3.4 Key Personnel The Contractor must appoint three key personnel, a President, General Manager, and a Data Entry Supervisor (explained in section 1.2 Work and Deliverable) individuals who will be directly responsible for the day-to-day operations of the Contract (“Key Personnel”). Key Personnel must be specifically assigned to the State account, be knowledgeable on the contractual requirements, and respond to State inquires within 24 hours.

President – Larry Kinney

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.

1. **General Manager – Derek Olson**
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.

2. **Data Entry Supervisor – Jessica Burman Moll**
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.
7. Monitors work to be picked up and delivered.

3. The State has the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, introduce the individual to the State’s Project Manager, and provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. The State may require a 30-calendar day training period for replacement personnel.

4. Contractor will not remove any Key Personnel from their assigned roles on this Contract without the prior written consent of the State. The Contractor’s removal of Key Personnel without the prior written consent of the State is an unauthorized removal (“**Unauthorized Removal**”). An Unauthorized Removal does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel’s employment. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to terminate this Contract for cause under Termination for Cause in the Standard Terms.

5. It is further acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of this Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any



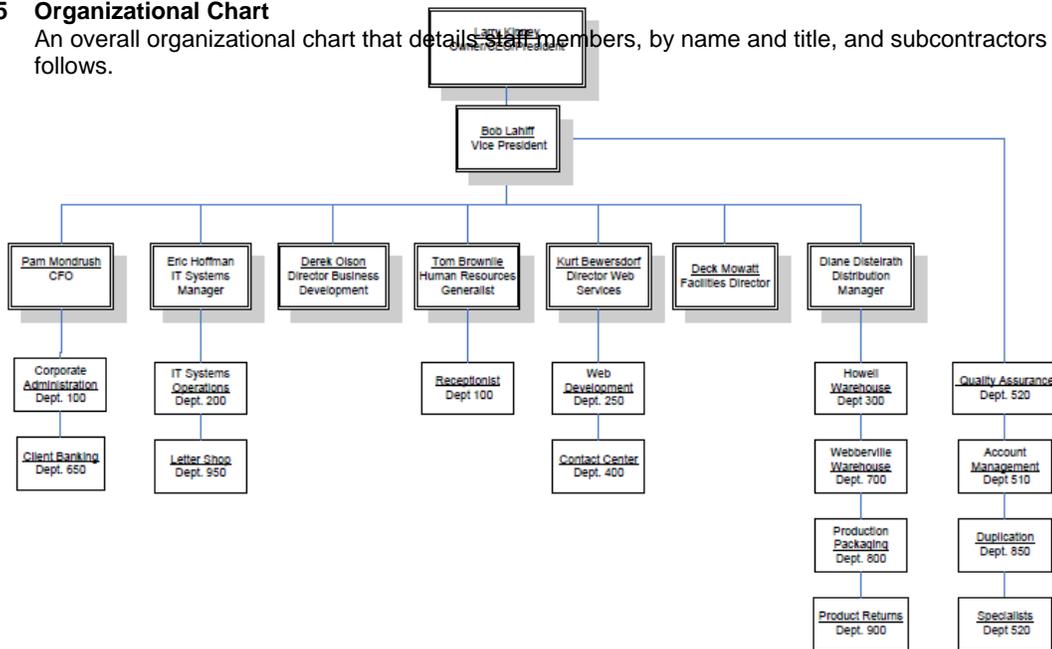
Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under Termination for Cause, Contractor will issue to the State the corresponding credits set forth below (each, an "Unauthorized Removal Credit"):

Contractor acknowledges and agrees that each of the Unauthorized Removal Credits assessed above: (i) is a reasonable estimate of and compensation for the anticipated or actual harm to the State that may arise from the Unauthorized Removal, which would be impossible or very difficult to accurately estimate; and (ii) may, at the State's option, be credited or set off against any fees or other charges payable to Contractor under this Contract.

The Contractor must identify the Key Personnel, indicate where they will be physically located, describe the functions they will perform, and provide current chronological résumés.

3.5 Organizational Chart

An overall organizational chart that details Staff members, by name and title, and subcontractors follows.



3.6 Disclosure of Subcontractors

If the Contractor intends to utilize subcontractors, the Contractor must disclose the following:

1. The legal business name; address; telephone number; a description of subcontractor's organization and the services it will provide; and information concerning subcontractor's ability to provide the Contract Activities.
2. The relationship of the subcontractor to the Contractor.
3. Whether the Contractor has a previous working experience with the subcontractor. If yes, provide the details of that previous relationship.
4. A complete description of the Contract Activities that will be performed or provided by the subcontractor.
5. Of the total bid, the price of the subcontractor's work.

Any subcontractors must adhere to CIPSEA as well as agree to sign BLS Agent agreement in advance of actual access to data.



3.7 Security

The Contractor will be subject the following security procedures:

Background Checks

On a case-by-case basis, the State may investigate the Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

The Contractor's staff may be required to make deliveries to or enter State facilities. The Contractor must ensure the security of State facilities, use uniforms and/or ID badges, etc., identify the company that will perform background checks, and the scope of the background checks. The State may require the Contractor's personnel to wear State issued identification badges.

4.0 Project Management

4.1 Project Plan

1. The Contractor will carry out this project under the direction and control of the Program Manager.
2. Within 30 calendar days of the Effective Date, the Contractor must submit a project plan to the Program Manager for final approval. The plan must include: (a) the Contractor's organizational chart with names and title of personnel assigned to the project, which must align with the staffing stated in accepted proposals; and (b) the project breakdown showing sub-projects, tasks, and resources required.

4.2 Meetings

The Contractor must attend a Kick-off meeting within 30 calendar days of the Effective Date.

The State may request other meetings, as it deems appropriate.

4.3 Reporting

1. The Contractor, upon request, shall provide reports to the Program Manager listed in Contract Terms 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.
2. The Contractor may submit the reports in a non-PDF electronic format, such as Excel, via email to the Contract Administrator.
3. The Contractor's Project Manager for the State of Michigan will collaborate with each agency to ensure reports include all fields required – this will include a list of projects, sorted by agency, the number of entries for each agency, the batch and form. The Contractor's data management system is customizable and reporting capabilities are highly advanced. Contractor can report on any field entered, and can customize these reports to meet the State's needs.
4. Reports shall be provided at no cost to the State

5.0 Ordering



5.1 Authorizing Document

The appropriate authorizing document for the Contract will be a Blanket Purchase Order or individual Purchase Orders authorized by the agencies.

6.0 Invoice and Payment

6.1 Proposal Pricing

1. For authorized Services and Price List, see Exhibit C.

2. Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for the expense at the State's current travel reimbursement rates. See www.michigan.gov/dtmb for current rates.

3. The selected Contractor will be required to submit an Administrative Fee (see Section 7 of Standard Contract Terms) on all payments remitted under the Contract. The Bidder should consider Administrative Fee requirements when developing its price proposal.

6.2 Invoice Requirements

All invoices submitted to the State must include: (a) date of service; (b) purchase order/Contract Number; (c) quantity; (d) description of the Contract Activities; (e) unit price; (f) shipping cost (if any); (g) total price, (h)Form/Ticket/Batch number.

7.0 Liquidated Damages

Late or improper completion of the Contract Activities will cause loss and damage to the State and it would be impracticable and extremely difficult to fix the actual damage sustained by the State. Therefore, if there is late or improper completion of the Contract Activities the State is entitled to collect liquidated damages in the amount of \$1,000.00 and an additional \$100.00 per day for each day Contractor fails to remedy the late or improper completion of the Work.



STATE OF MICHIGAN

Contract No. 071B5500042

EXHIBIT B - Reserved



STATE OF MICHIGAN

Contract No. 071B5500042

EXHIBIT C PRICING

1. The Contractor's pricing schedule for the proposed Contract Activities in the below tables.
2. Price proposal includes all costs, including but not limited to, any one-time or set-up charges, fees, and potential costs that Contractor may charge the State (e.g., shipping and handling, per piece pricing, and palletizing).

DCH Expected KEYSTROKES by Record Type

Description	Estimated Annual Volume of Records	Estimated Keystrokes	Rate/1,000 Keystrokes Cost	Total	3 Year Total Price
Death Records	86,081	78,637,568	\$2.64	\$207,603.17	\$622,809.51
Divorce Records	44,500	13,375,610	\$1.68	\$22,471.02	\$67,413.07
Marriage Records	60,163	15,631,164	\$1.68	\$26,260.36	\$78,781.07

*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.

DEQ Expected KEYSTROKES by Record Type

Description	Estimated Annual Volume of Records	Estimated Keystrokes	Rate/1,000 Keystrokes Cost	Total	3 Year Total Price
Uniform Hazardous Waste Manifest Form	150,000	40,400,000	\$1.68	\$67,872.00	\$203,616.00



*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.

LMISI Expected FORMS by Record Type

Description	Estimated Annual Volume of Records	Estimated Annual Keystrokes	Rate/1,000 Forms Cost	Total	3 Year Total Price
SPAM (Monthly) Source Form: OMB #1220-0042 Occupational Employment Survey Structured Forms for Series 110000 to 990000 (Includes Samples - Attachment I and II)	5,000	86,000	\$61.73	\$308.65	\$925.95
SPAM (Monthly) Source Form: OMB #1220-0042 Occupational Employment Survey Unstructured Forms for uuuuuu (Includes Sample – Attachment III)	5,000	86,000	\$61.73	\$308.65	\$925.95
NOTE: The Occupational Employment Statistics (OES) survey uses approximately 80 different forms to collect occupational data. The forms represent individual industries as designated by the U.S. Bureau of Labor Statistics. While the forms are printed in four different colors, they have the same OMB identification number (OMB#1220-0042) and contain the same information for each industry. Samples of three of the forms are provided. There are four colors which determine which panel is currently being worked on a semiannual basis. Forms may be long or short. The record estimates include all of the different industry designations.					
QCEW (Quarterly) Source Form: UIA 1050 (Includes Sample – Attachment IV)	5,000		\$61.73	\$308.65	\$925.95

Grand Total: \$975,397.50



STATE OF MICHIGAN

STANDARD CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and Datapak Services Corporation (“**Contractor**”), a Michigan Corporation. This Contract is effective on December 1, 2014 (“**Effective Date**”), and unless terminated, expires on November 30, 2017.

This Contract may be renewed for up to two additional one year period(s). Renewal must be by written agreement of the parties.

The parties agree as follows:

1. **Duties of Contractor.** Contractor must perform the services and provide the deliverables described in **Exhibit A – Statement of Work** (the “**Contract Activities**”). An obligation to provide delivery of any commodity is considered a service and is a Contract Activity.

Contractor must furnish all labor, equipment, materials, and supplies necessary for the performance of the Contract Activities, and meet operational standards, unless otherwise specified in Exhibit A.

Contractor must: (a) perform the Contract Activities in a timely, professional, safe, and workmanlike manner consistent with standards in the trade, profession, or industry; (b) meet or exceed the performance and operational standards, and specifications of the Contract; (c) provide all Contract Activities in good quality, with no material defects; (d) not interfere with the State’s operations; (e) obtain and maintain all necessary licenses, permits or other authorizations necessary for the performance of the Contract; (f) cooperate with the State, including the State’s quality assurance personnel, and any third party to achieve the objectives of the Contract; (g) return to the State any State-furnished equipment or other resources in the same condition as when provided when no longer required for the Contract; (h) not make any media releases without prior written authorization from the State; (i) assign to the State any claims resulting from state or federal antitrust violations to the extent that those violations concern materials or services supplied by third parties toward fulfillment of the Contract; (j) comply with all State physical and IT security policies and standards which will be made available upon request; and (k) provide the State priority in performance of the Contract except as mandated by federal disaster response requirements. Any breach under this paragraph is considered a material breach.

Contractor must also be clearly identifiable while on State property by wearing identification issued by the State, and clearly identify themselves whenever making contact with the State.

2. **Notices.** All notices and other communications required or permitted under this Contract must be in writing and will be considered given and received: (a) when verified by written receipt if sent by courier;



(b) when actually received if sent by mail without verification of receipt; or (c) when verified by automated receipt or electronic logs if sent by facsimile or email.

If to State:	If to Contractor:
<p><i>Chelsea Edgett</i></p> <p><i>Constitution Hall, 1st Floor North</i></p> <p><i>525 W. Allegan St.</i></p> <p><i>Lansing, MI 48913</i></p> <p>EdgettC@michigan.gov</p> <p><i>(517) 284-7031</i></p>	<p><i>Robert Lahiff, Vice President</i></p> <p><i>1000 Austin Court</i></p> <p><i>Howell, MI 48843</i></p> <p><i>rlahiff@datapakservices.com (517) 552-1400 x3065</i></p>

3. **Contract Administrator.** The Contract Administrator for each party is the only person authorized to modify any terms and conditions of this Contract (each a “**Contract Administrator**”):

If to State:	If to Contractor:
<p><i>Chelsea Edgett</i></p> <p><i>Constitution Hall, 1st Floor North</i></p> <p><i>525 W. Allegan St.</i></p> <p><i>Lansing, MI 48913</i></p> <p>EdgettC@michigan.gov</p> <p><i>(517) 284-7031</i></p>	<p><i>Robert Lahiff, Vice President</i></p> <p><i>1000 Austin Court</i></p> <p><i>Howell, MI 48843</i></p> <p>rlahiff@datapakservices.com</p> <p><i>(517) 552-1400 x3065</i></p>

4. **Program Manager.** The Program Manager for each party will monitor and coordinate the day-to-day activities of the Contract (each a “**Program Manager**”):

If to State:	If to Contractor:
<p><i>DCH:</i></p> <p><i>Glenn Copeland</i></p> <p><i>Department of Community Health</i></p> <p><i>Division of Vital Records and Health Statistics</i></p> <p><i>Capitol View Building</i></p> <p><i>201 Townsend</i></p> <p><i>Lansing, MI 48913</i></p> <p><i>(517) 335-8677</i></p> <p>copelandg@michigan.gov</p> <p><i>Kevin Dunn</i></p> <p><i>Department of Community Health</i></p> <p><i>Contract Management Section</i></p> <p><i>Lewis Cass Building</i></p> <p><i>320 South Walnut</i></p> <p><i>Lansing, MI 48913</i></p> <p><i>(517) 335-5096</i></p> <p><i>e-mail: dunnk3@michigan.gov</i></p>	<p><i>Derek Olson</i></p> <p><i>1000 Austin Court</i></p> <p><i>Howell, MI 48843</i></p> <p>dolson@datapakservices.com</p> <p><i>(517) 552-1400 x3045</i></p>



<p><i>DEQ: Jack Schinderle Department of Environmental Quality Hazardous Waste Section – Unit Chief Constitution Hall, 4th Floor South Lansing, MI 48913 (517) 284-6570 SchinderleJ@michigan.gov</i></p> <p><i>LMISI: Wayne Rourke, Economic Manager of 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)</i></p>	
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5. **Performance Guarantee.** Contractor must at all times have financial resources sufficient, in the opinion of the State, to ensure performance of the Contract and must provide proof upon request. The State may require a performance bond (as specified in Exhibit A) if, in the opinion of the State, it will ensure performance of the Contract.



- 6. Insurance Requirements.** Contractor must maintain the insurances identified below and is responsible for all deductibles. All required insurance must: (a) protect the State from claims that may arise out of, are alleged to arise out of, or result from Contractor's or a subcontractor's performance; (b) be primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State; and (c) be provided by an company with an A.M. Best rating of "A" or better and a financial size of VII or better.

Insurance Type	Additional Requirements
Commercial General Liability Insurance	
<p><u>Minimal Limits:</u></p> <p>\$1,000,000 Each Occurrence Limit</p> <p>\$1,000,000 Personal & Advertising Injury Limit</p> <p>\$2,000,000 General Aggregate Limit</p> <p>\$2,000,000 Products/Completed Operations</p> <p><u>Deductible Maximum:</u></p> <p>\$50,000 Each Occurrence</p>	<p>Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 04; (2) include a waiver of subrogation; and (3) for a claims-made policy, provide 3 years of tail coverage.</p>
Umbrella or Excess Liability Insurance	
<p><u>Minimal Limits:</u></p> <p>\$5,000,000 General Aggregate</p>	<p>Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds, and (2) include a waiver of subrogation.</p>
Motor Vehicle Insurance	
<p><u>Minimal Limits:</u></p> <p>\$1,000,000 Per Occurrence</p>	
Workers' Compensation Insurance	
<p><u>Minimal Limits:</u></p> <p>Coverage according to applicable laws governing work activities.</p>	<p>Waiver of subrogation, except where waiver is prohibited by law.</p>
Employers Liability Insurance	
<p><u>Minimal Limits:</u></p> <p>\$100,000 Each Accident</p> <p>\$100,000 Each Employee by Disease</p>	



\$500,000 Aggregate Disease.	
Cyber Liability Insurance	
<p><u>Minimal Limits:</u></p> <p>\$1,000,000 Each Occurrence</p> <p>\$1,000,000 Annual Aggregate</p>	<p>Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds; and (2) cover information security and privacy liability, privacy notification costs, regulatory defense and penalties, and website media content liability.</p>



Hired and Non-Owned Motor Vehicle Insurance	
<p><u>Minimal Limits:</u> \$1,000,000 Per Accident</p>	<p>Contractor must have their policy: (1) endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds, and (2) include a waiver of subrogation.</p>
Crime Insurance	
<p><u>Minimal Limits:</u> \$1,000,000 Employee Theft Per Loss</p>	<p>Contractor must have their policy: (1) cover forgery and alteration, theft of money and securities, robbery and safe burglary, computer fraud, funds transfer fraud, money order and counterfeit currency, and (2) endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as Loss Payees.</p>
Professional Liability (Errors and Omissions) Insurance	
<p><u>Minimal Limits:</u> \$3,000,000 Each Occurrence \$3,000,000 Annual Aggregate</p> <p><u>Deductible Maximum:</u> \$50,000 Per Loss</p>	

If Contractor's policy contains limits higher than the minimum limits, the State is entitled to coverage to the extent of the higher limits. The minimum limits are not intended, and may not be construed to limit any liability or indemnity of Contractor to any indemnified party or other persons.

Contractor must: (a) provide insurance certificates to the Contract Administrator, containing the agreement or purchase order number, at Contract formation and within 20 calendar days of the expiration date of the applicable policies; (b) require that subcontractors maintain the required insurances contained in this Section; (c) notify the Contract Administrator within 5 business days if any insurance is cancelled; and (d) waive all rights against the State for damages covered by insurance. Failure to maintain the required insurance does not limit this waiver.

7. **Administrative Fee and Reporting** Contractor must pay an administrative fee of 1% on all payments made to Contractor under the Contract including transactions with the State (including its departments, divisions, agencies, offices, and commissions), MiDEAL members, and other states (including governmental subdivisions and authorized entities). Administrative fee payments must be made by check payable to the State of Michigan and mailed to:



Department of Technology, Management and Budget

Financial Services – Cashier Unit

Lewis Cass Building

320 South Walnut St.

P.O. Box 30681

Lansing, MI 48909

Contractor must submit an itemized purchasing activity report, which includes at a minimum, the name of the purchasing entity and the total dollar volume in sales. Reports should be mailed to DTMB-Procurement.

The administrative fee and purchasing activity report are due within 30 calendar days from the last day of each calendar quarter.

- 8. **Extended Purchasing Program.** The Contract is extended to MiDEAL members. MiDEAL members include local units of government, school districts, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is available at www.michigan.gov/mideal. Upon written agreement between the State and Contractor, this Contract may also be extended to: (a) State of Michigan employees and (b) other states (including governmental subdivisions and authorized entities).

If extended, Contractor must supply all Contract Activities at the established Contract prices and terms. The State reserves the right to negotiate additional discounts based on any increased volume generated by such extensions.

Contractor must submit invoices to, and receive payment from, extended purchasing program members on a direct and individual basis.

- 9. **Independent Contractor.** Contractor is an independent contractor and assumes all rights, obligations and liabilities set forth in this Contract. Contractor, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Contract. Contractor, and not the State, is responsible for the payment of wages, benefits and taxes of Contractor's employees and any subcontractors. Prior performance does not modify Contractor's status as an independent contractor.
- 10. **Subcontracting.** Contractor may not delegate any of its obligations under the Contract without the prior written approval of the State. Contractor must notify the State at least 90 calendar days before the proposed delegation, and provide the State any information it requests to determine whether the delegation is in its best interest. If approved, Contractor must: (a) be the sole point of contact regarding all contractual matters, including payment and charges for all Contract Activities; (b) make all payments to the subcontractor; and (c) incorporate the terms and conditions contained in this Contract in any subcontract with a subcontractor. Contractor remains responsible for the completion of the Contract Activities, compliance with the terms of this Contract, and the acts and omissions of the subcontractor. The State, in its sole discretion, may require the replacement of any subcontractor.
- 11. **Staffing.** The State's Contract Administrator may require Contractor to remove or reassign personnel by providing a notice to Contractor.
- 12. **Background Checks.** Upon request, Contractor must perform background checks on all employees and subcontractors and its employees prior to their assignment. The scope is at the discretion of the State and documentation must be provided as requested. Contractor is responsible for all costs associated with the requested background checks. The State, in its sole discretion, may also perform background checks.



13. Assignment. Contractor may not assign this Contract to any other party without the prior approval of the State. Upon notice to Contractor, the State, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Contract to any other party. If the State determines that a novation of the Contract to a third party is necessary, Contractor will agree to the novation, provide all necessary documentation and signatures, and continue to perform, with the third party, its obligations under the Contract.

14. Change of Control. Contractor will notify, at least 90 calendar days before the effective date, the State of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the following: (a) a sale of more than 50% of Contractor's stock; (b) a sale of substantially all of Contractor's assets; (c) a change in a majority of Contractor's board members; (d) consummation of a merger or consolidation of Contractor with any other entity; (e) a change in ownership through a transaction or series of transactions; (f) or the board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.

In the event of a change of control, Contractor must require the successor to assume this Contract and all of its obligations under this Contract.

15. Ordering. Contractor is not authorized to begin performance until receipt of authorization as identified in Exhibit A.

16. Acceptance. Contract Activities are subject to inspection and testing by the State within 30 calendar days of the State's receipt of them ("**State Review Period**"), unless otherwise provided in Exhibit A. If the Contract Activities are not fully accepted by the State, the State will notify Contractor by the end of the State Review Period that either: (a) the Contract Activities are accepted, but noted deficiencies must be corrected; or (b) the Contract Activities are rejected. If the State finds material deficiencies, it may: (i) reject the Contract Activities without performing any further inspections; (ii) demand performance at no additional cost; or (iii) terminate this Contract in accordance with Section 23, Termination for Cause.

Within 10 business days from the date of Contractor's receipt of notification of acceptance with deficiencies or rejection of any Contract Activities, Contractor must cure, at no additional cost, the deficiency and deliver unequivocally acceptable Contract Activities to the State. If acceptance with deficiencies or rejection of the Contract Activities impacts the content or delivery of other non-completed Contract Activities, the parties' respective Program Managers must determine an agreed to number of days for re-submission that minimizes the overall impact to the Contract. However, nothing herein affects, alters, or relieves Contractor of its obligations to correct deficiencies in accordance with the time response standards set forth in this Contract.

If Contractor is unable or refuses to correct the deficiency within the time response standards set forth in this Contract, the State may cancel the order in whole or in part. The State, or a third party identified by the State, may perform the Contract Activities and recover the difference between the cost to cure and the Contract price plus an additional 10% administrative fee.

17. Reserved

18. Risk of Loss and Title. Until final acceptance, title and risk of loss or damage to Contract Activities remains with Contractor. Contractor is responsible for filing, processing, and collecting all damage claims. The State will record and report to Contractor any evidence of visible damage. If the State rejects the Contract Activities, Contractor must remove them from the premises within 10 calendar days after notification of rejection. The risk of loss of rejected or non-conforming Contract Activities remains with Contractor. Rejected Contract Activities not removed by Contractor within 10 calendar days will be deemed abandoned by Contractor, and the State will have the right to dispose of it as its own property. Contractor must reimburse the State for costs and expenses incurred in storing or effecting removal or disposition of rejected Contract Activities.

19. Warranty Period. The warranty period, if applicable, for Contract Activities is a fixed period commencing on the date specified in Exhibit A. If the Contract Activities do not function as warranted during the warranty period the State may return such non-conforming Contract Activities to the Contractor for a full refund.

20. Terms of Payment. Invoices must conform to the requirements communicated from time-to-time by the State. All undisputed amounts are payable within 45 days of the State's receipt. Contractor may only charge for Contract Activities performed as specified in Exhibit A. Invoices must include an itemized statement of all



charges. The State is exempt from State sales tax for direct purchases and may be exempt from federal excise tax, if Contract Activities purchased under the Contract are for the State's exclusive use. Prices are exclusive of all taxes, and Contractor is solely responsible for payment of any applicable taxes.

The State has the right to withhold payment of any disputed amounts until the parties agree as to the validity of the disputed amount. The State will notify Contractor of any dispute within a reasonable time. Payment by the State will not constitute a waiver of any rights as to Contractor's continuing obligations, including claims for deficiencies or substandard Contract Activities. Contractor's acceptance of final payment by the State constitutes a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still disputed.

The State will only disburse payments under this Contract through Electronic Funds Transfer (EFT). Contractor must register with the State at <http://www.michigan.gov/cpexpress> to receive electronic fund transfer payments. If Contractor does not register, the State is not liable for failure to provide payment.

Without prejudice to any other right or remedy it may have, the State reserves the right to set off at any time any amount then due and owing to it by Contractor against any amount payable by the State to Contractor under this Contract.

- 21. **Liquidated Damages.** Liquidated damages, if applicable, will be assessed as described in Exhibit A.
- 22. **Stop Work Order.** The State may suspend any or all activities under the Contract at any time. The State will provide Contractor a written stop work order detailing the suspension. Contractor must comply with the stop work order upon receipt. Within 90 calendar days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate the Contract or purchase order. The State will not pay for Contract Activities, Contractor's lost profits, or any additional compensation during a stop work period.
- 23. **Termination for Cause.** The State may terminate this Contract for cause, in whole or in part, if Contractor, as determined by the State: (a) endangers the value, integrity, or security of any location, data, or personnel; (b) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; (c) engages in any conduct that may expose the State to liability; (d) breaches any of its material duties or obligations; or (e) fails to cure a breach within the time stated in a notice of breach. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

If the State terminates this Contract under this Section, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Contractor was not in breach of the Contract, the termination will be deemed to have been a Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in Section 24, Termination for Convenience.

The State will only pay for amounts due to Contractor for Contract Activities accepted by the State on or before the date of termination, subject to the State's right to set off any amounts owed by the Contractor for the State's reasonable costs in terminating this Contract. The Contractor must pay all reasonable costs incurred by the State in terminating this Contract for cause, including administrative costs, attorneys' fees, court costs, transition costs, and any costs the State incurs to procure the Contract Activities from other sources.

- 24. **Termination for Convenience.** The State may immediately terminate this Contract in whole or in part without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance of the Contract Activities immediately, or (b) continue to perform the Contract Activities in accordance with Section 25, Transition Responsibilities. If the State terminates this Contract for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities.



25. Transition Responsibilities. Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 90 calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.

26. General Indemnification. Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to: (a) any breach by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract; (b) any infringement, misappropriation, or other violation of any intellectual property right or other right of any third party; (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and (d) any acts or omissions of Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

The State will notify Contractor in writing if indemnification is sought; however, failure to do so will not relieve Contractor, except to the extent that Contractor is materially prejudiced. Contractor must, to the satisfaction of the State, demonstrate its financial ability to carry out these obligations.

The State is entitled to: (i) regular updates on proceeding status; (ii) participate in the defense of the proceeding; (iii) employ its own counsel; and to (iv) retain control of the defense if the State deems necessary. Contractor will not, without the State's written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding. To the extent that any State employee, official, or law may be involved or challenged, the State may, at its own expense, control the defense of that portion of the claim.

Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

27. Infringement Remedies. If, in either party's opinion, any piece of equipment, software, commodity, or service supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment, software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against 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.

28. Limitation of Liability. The State is not liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.



29. Disclosure of Litigation, or Other Proceeding. Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, “Proceeding”) involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor, that arises during the term of the Contract, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Contractor’s viability or financial stability; or (2) a governmental or public entity’s claim or written allegation of fraud; or (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract.

30. State Data.

- a. Ownership. The State’s data (“**State Data**,” which will be treated by Contractor as Confidential Information) includes: (a) the State’s data collected, used, processed, stored, or generated as the result of the Contract Activities; (b) personally identifiable information (“**PII**”) collected, used, processed, stored, or generated as the result of the Contract Activities, including, without limitation, any information that identifies an individual, such as an individual’s social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother’s maiden name, email address, credit card information, or an individual’s name in combination with any other of the elements here listed; and, (c) personal health information (“**PHI**”) collected, used, processed, stored, or generated as the result of the Contract Activities, which is defined under the Health Insurance Portability and Accountability Act (HIPAA) and its related rules and regulations. State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State. This Section survives the termination of this Contract.
- b. Contractor Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Contract Activities, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Contract Activities. Contractor must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Contract Activities, such use and disclosure being in accordance with this Contract, any applicable Statement of Work, and applicable law; and (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor’s own purposes or for the benefit of anyone other than the State without the State’s prior written consent. This Section survives the termination of this Contract.
- c. Extraction of State Data. Contractor must, within one (1) business day of the State’s request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Contractor), an extract of the State Data in the format specified by the State.
- d. Backup and Recovery of State Data. Unless otherwise specified in Exhibit A, Contractor is responsible for maintaining a backup of State Data and for an orderly and timely recovery of such data. Unless otherwise described in Exhibit A, Contractor must maintain a contemporaneous backup of State Data that can be recovered within two (2) hours at any point in time.
- e. Loss of Data. In the event of any act, error or omission, negligence, misconduct, or breach that compromises or is suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor must, as applicable: (a) notify the State as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State; (c) in the case of PII or PHI, at the State’s sole election, (i) notify the affected individuals who comprise the PII or PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within 5 calendar days of the occurrence; or (ii) reimburse the State for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twenty-four (24)



months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence; (g) be responsible for recreating lost State Data in the manner and on the schedule set by the State without charge to the State; and, (h) provide to the State a detailed plan within 10 calendar days of the occurrence describing the measures Contractor will undertake to prevent a future occurrence. Notification to affected individuals, as described above, must comply with applicable law, be written in plain language, and contain, at a minimum: name and contact information of Contractor's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Contractor has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Contractor. This Section survives the termination of this Contract.

31. Non-Disclosure of Confidential Information. The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties. The provisions of this Section survive the termination of this Contract.

- a. Meaning of Confidential Information. For the purposes of this Contract, the term "**Confidential Information**" means all information and documentation of a party that: (a) has been marked "confidential" or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked "confidential" or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked "confidential" or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term "Confidential Information" does not include any information or documentation that was: (a) subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party's proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). For purposes of this Contract, in all cases and for all matters, State Data is deemed to be Confidential Information.
- b. Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to a subcontractor is permissible where: (a) use of a subcontractor is authorized under this Contract; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the subcontractor's responsibilities; and (c) Contractor obligates the subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor or any subcontractor may be required to execute a separate agreement to be bound by the provisions of this Section.
- c. Cooperation to Prevent Disclosure of Confidential Information. Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.
- d. Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain



injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Contract or any Statement of Work corresponding to the breach or threatened breach.

- e. Surrender of Confidential Information upon Termination. Upon termination of this Contract or a Statement of Work, in whole or in part, each party must, within 5 calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Contract. Should Contractor or the State determine that the return of any non-State Data Confidential Information is not feasible, such party must destroy the non-State Data Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party.

32. Data Privacy and Information Security.

- a. Undertaking by Contractor. Without limiting Contractor's obligation of confidentiality as further described, Contractor is responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of the State Data; (b) protect against any anticipated threats or hazards to the security or integrity of the State Data; (c) protect against unauthorized disclosure, access to, or use of the State Data; (d) ensure the proper disposal of State Data; and (e) ensure that all employees, agents, and subcontractors of Contractor, if any, comply with all of the foregoing. In no case will the safeguards of Contractor's data privacy and information security program be less stringent than the safeguards used by the State, and Contractor must at all times comply with all applicable State IT policies and standards, which are available to Contractor upon request.
- b. Audit by Contractor. No less than annually, Contractor must conduct a comprehensive independent third-party audit of its data privacy and information security program and provide such audit findings to the State.
- c. Right of Audit by the State. Without limiting any other audit rights of the State, the State has the right to review Contractor's data privacy and information security program prior to the commencement of Contract Activities and from time to time during the term of this Contract. During the providing of the Contract Activities, on an ongoing basis from time to time and without notice, the State, at its own expense, is entitled to perform, or to have performed, an on-site audit of Contractor's data privacy and information security program. In lieu of an on-site audit, upon request by the State, Contractor agrees to complete, within 45 calendar days of receipt, an audit questionnaire provided by the State regarding Contractor's data privacy and information security program.
- d. Audit Findings. Contractor must implement any required safeguards as identified by the State or by any audit of Contractor's data privacy and information security program.
- e. State's Right to Termination for Deficiencies. The State reserves the right, at its sole election, to immediately terminate this Contract or a Statement of Work without limitation and without liability if the State determines that Contractor fails or has failed to meet its obligations under this Section.

33. Payment Card Industry Data Security Standard. - Reserved

34. CEPAS Electronic Receipt Processing Standard. - Reserved

- 35. Records Maintenance, Inspection, Examination, and Audit.** The State or its designee may audit Contractor to verify compliance with this Contract. Contractor must retain, and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to the Contract through the term of the Contract and for 7 years after the latter of termination, expiration, or final payment under this Contract or any



extension (“**Audit Period**”). If an audit, litigation, or other action involving the records is initiated before the end of the Audit Period, Contractor must retain the records until all issues are resolved.

Within 10 calendar days of providing notice, the State and its authorized representatives or designees have the right to enter and inspect Contractor’s premises or any other places where Contract Activities are being performed, and examine, copy, and audit all records related to this Contract. Contractor must cooperate and provide reasonable assistance. If any financial errors are revealed, the amount in error must be reflected as a credit or debit on subsequent invoices until the amount is paid or refunded. Any remaining balance at the end of the Contract must be paid or refunded within 45 calendar days.

This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.

- 36. **Warranties and Representations.** Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (c) the Contract Activities will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) Contractor must assign or otherwise transfer to the State or its designee any manufacturer's warranty for the Contract Activities; (e) the Contract Activities are merchantable and fit for the specific purposes identified in the Contract; (f) the Contract signatory has the authority to enter into this Contract; (g) all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information, and Contractor will inform the State of any material adverse changes; and (h) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under Section 23, Termination for Cause.

- 37. **Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.

- 38. **Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations.

- 39. **Prevailing Wage.** This Contract and any subcontract is subject to the Prevailing Wage Act, 1965 PA 166. Contractor must comply with the state prevailing wage law and its requirements.

- 40. **Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or mental or physical disability. Breach of this covenant is a material breach of this Contract.

- 41. **Unfair Labor Practice.** Under MCL 423.324, the State may void any Contract with a Contractor or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.



42. **Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in Michigan Court of Claims. Contractor consents to venue in Ingham County, and waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint agents in Michigan to receive service of process.
43. **Non-Exclusivity.** Nothing contained in this Contract is intended nor will be construed as creating any requirements contract with Contractor. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Contract Activities from other sources.
44. **Force Majeure.** Neither party will be in breach of this Contract because of any failure arising from any disaster or acts of god that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Contractor will not be relieved of a breach or delay caused by its subcontractors. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.
45. **Dispute Resolution.** The parties will endeavor to resolve any Contract dispute in accordance with this provision. The dispute will be referred to the parties' respective Contract Administrators or Program Managers. Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute to a senior executive if unable to resolve the dispute within 15 business days. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.
- Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' senior executive and either concludes that resolution is unlikely, or fails to respond within 15 business days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This Section does not limit the State's right to terminate the Contract.
46. **Media Releases.** News releases (including promotional literature and commercial advertisements) pertaining to the Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions of the State.
47. **Website Incorporation.** The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.
48. **Order of Precedence.** In the event of a conflict between the terms and conditions of the Contract, the exhibits, a purchase order, or an amendment, the order of precedence is: (a) the purchase order; (b) the amendment; (c) Exhibit A; (d) any other exhibits; and (e) the Contract.
49. **Severability.** If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.
50. **Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
51. **Survival.** The provisions of this Contract that impose continuing obligations, including warranties and representations, termination, transition, insurance coverage, indemnification, and confidentiality, will survive the expiration or termination of this Contract.
52. **Entire Contract and Modification.** This Contract is the entire agreement and replaces all previous agreements between the parties for the Contract Activities. This Contract may not be amended except by signed agreement between the parties (a "**Contract Change Notice**").