



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **11**
 to
 Contract Number **071B5500051**

CONTRACTOR	PUBLIC CONSULTING GROUP, LLC	STATE	Program Manager	Various	MULTI
	148 State Street , 10th Floor				
	Boston, MA 02109				
	Heather Baker		Contract Administrator	Courtney Powell	DTMB
	617-426-2026			(517) 249-0452	
	hbaker@pcgus.com			powellc11@michigan.gov	
	CV0000862				

CONTRACT SUMMARY				
ACTUARIAL SERVICES				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS		EXPIRATION DATE BEFORE
January 1, 2015	December 31, 2019	2 - 1 Year		December 31, 2021
PAYMENT TERMS		DELIVERY TIMEFRAME		
NET45		N/A		
ALTERNATE PAYMENT OPTIONS				EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE		ESTIMATED AGGREGATE CONTRACT VALUE	
\$2,966,113.65	\$0.00		\$2,966,113.65	
DESCRIPTION				
Effective September 1, 2021, the Michigan Department of Labor and Economic Opportunity (LEO) Statement of Work (SOW), previously added as Change Notice 5, and extended in Change Notice 9, is hereby extended through December 31, 2021 to continue to conduct an actuarial study to develop a rate-setting methodology to assign costs for purchased Vocational Rehabilitation (VR) services, for Michigan Rehabilitation Services (MRS), on an as-needed basis and upon request.				
Please note that the Contractor's name has been changed from Public Consulting Group, Inc. to Public Consulting Group, LLC.				
All other terms, conditions, specifications, and pricing remain the same. Per Contractor and Agency Agreement and DTMB Central Procurement Services approval.				

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDHHS	Susan Kangas	(517) 373-7914	kangass1@michigan.gov
MDHHS	Nancy Rostoni	(517) 388-3910	rostonin@michigan.gov
LEO	Nathan Kammer	(517) 335-5035	KammerN@michigan.gov
MDHHS	Michael Roesner	(517) 284-0183	roesnerm@michigan.gov



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CONTRACT CHANGE NOTICE

Change Notice Number **10**

to

Contract Number **071B5500051**

CONTRACTOR	PUBLIC CONSULTING GROUP LLC	STATE	Program Manager	Various	DTMB
	148 State Street , 10th Floor				
	Boston, MA 02109		Contract Administrator	Courtney Powell	DTMB
	Heather Baker			(517) 249-0452	
	617-426-2026			powellc11@michigan.gov	
	hbaker@pcgus.com				
	CV0000862				

CONTRACT SUMMARY				
ACTUARIAL SERVICES				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS		EXPIRATION DATE BEFORE
January 1, 2015	December 31, 2019	2 - 1 Year		December 31, 2021
PAYMENT TERMS		DELIVERY TIMEFRAME		
NET45		N/A		
ALTERNATE PAYMENT OPTIONS				EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,661,437.65	\$304,676.00	\$2,966,113.65		
DESCRIPTION				
Effective February 3, 2021, the following amendments have been incorporated into this Contract:				
1. This Contract is increased by \$ 304,676.00 for child welfare per diem, case rate setting and adoption rate study for Michigan Department of Health and Human Services - Children’s Services Administration (CSA) use.				
2. The Adoption Rate and Contract Assessment has been added to Exhibit C - Pricing, per the attached.				
3. The Federal Provisions Addendum has been added to this Contract.				
All other terms, conditions, specifications, and pricing remain the same. Per Contractor and Agency agreement, DTMB Central Procurement Services approval, and State Administrative Board approval on February 2, 2021.				

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDHHS	Michael Roesner	(517) 284-0183	roesnerm@michigan.gov
MDHHS	Susan Kangas	(517) 373-7914	kangass1@michigan.gov
MDHHS	Nancy Rostoni	(517) 388-3910	rostonin@michigan.gov
LEO	Nathan Kammer	(517) 335-5035	KammerN@michigan.gov

STATE OF MICHIGAN

Contract No. 071B5500051

Performance Based Child Welfare System Actuarial Services and MRS Rate Setting

EXHIBIT C – PRICING – Additional Work - Change Notice 10

Michigan Department of Health and Human Services Adoption Rate and Contract Assessment

#	PROJECT TASK	Timeframe	Total Hours	Total Cost
Phase 1	Review and Agree on Understanding of Adoption Contracts and Payments			
1.1	Acquire and review adoption contract and payment information			
a	Acquire and review list of adoption providers and matrix of costs from MDHHS	November 2020	34	\$6,354
b	Acquire detailed listing of payments (by provider, amount, date and tier) for past three SFYs (SFY19 at minimum)			
c	Acquire list of adoptions finalized by each provider (past three SFYs or SFY19 at minimum)			
d	Acquire and review adoption contracts to isolate core requirements and payment structures			
e	Discuss the data PCG will use to make associations between solvency and performance			
f	Discuss and agree on performance association approach with MDHHS			
Phase 2	Solvency Analysis and Performance Associations			
2.1	Conduct solvency analysis by provider			
a	Complete solvency analysis by provider using cost report data (SFY19)	November-December 2020	170	\$31,770
b	Review and discuss with MDHHS			
2.2	Make associations between incentive payments and solvency			
a	Complete solvency analysis by provider			
b	Review and discuss with MDHHS			
Phase 3	Findings and Recommendations for Adoption Monitoring Process			
3.1	Distill Findings			
a	Create summary of solvency analysis	December 2020	86	\$16,552
b	Create summary of performance associations			
c	Draft initial findings and recommendations for next steps to improve/standardize process internally			
3.2	Make Recommendations for adoption monitoring			
a	Make recommendations for adoption rate monitoring process			
b	Review with MDHHS			
c	Review with other stakeholders			
d	Revise based on feedback			
e	Present finalized rate recommendations			
Total Hours and Cost			290	\$54,676

PHASE	PHASE DESCRIPTION	HOURS	COST
1	Review and Agree on Understanding of Adoption Contracts and Payments	34	\$6,354
2	Solvency Analysis and Performance Associations	170	\$31,770
3	Findings and Recommendations for Adoption Monitoring Process	86	\$16,552
	Total	290	\$54,676

Michigan Department of Health and Human Services Statewide Per Diem Rate Setting					
#	PROJECT PHASE/TASK	START DATE	END DATE	HOURS	COST
1	Facilitate Stakeholder Outreach				
1	<i>Discuss stakeholder review plan with MDHHS</i>	11/16/2020	12/15/2020	242	\$50,339
a	Discuss goals for final report with MDHHS leadership				
b	Draft stakeholder review schedule and presentation				
c	Review stakeholder review plan with MDHHS				
d	Finalize stakeholder review plan and schedule				
2	<i>Facilitate stakeholder forums</i>				
a	Facilitate webinars to seek input on rates				
b	Synthesize feedback and responses from stakeholders				
3	<i>Ongoing status meetings/updates between PCG and MDHHS project team</i>				
Milestone = MDHHS Executive Review and Approval and Feedback of Provider Community					
2	Develop Recommendations				
1	<i>Finalize rate development dataset (using finalized monitoring costs or costs used for approved recommendations)</i>	12/15/2020	1/31/2021	457	\$91,568
2	<i>Calculate costs related to programmatic changes/additional costs</i>				
a	Collect feedback about costs from stakeholders (surveys, webinars, etc)				
b	Conduct market research to collect cost data				
c	Finalize program expenses for model budgets				
3	<i>Review and revise rate calculation methodology internally</i>				
4	<i>Develop and share rate recommendations with MDHHS</i>				
a	Implement rate methodology approved by MDHHS				
b	Calculate rates by provider type				
5	<i>Conduct fiscal impact analysis</i>				
6	<i>Review rate recommendations with stakeholders</i>				
7	<i>Ongoing status meetings/updates between PCG and MDHHS project team</i>				
Milestone = Draft Recommendations					
3	Draft Legislative Report				
1	<i>Prepare first draft of report</i>	1/15/2021	1/31/2021	269	\$57,891
a	Submit to MDHHS for review				
2	<i>Obtain initial feedback from MDHHS and make necessary revisions</i>				
3	<i>Make final revisions to report</i>				
a	Submit to MDHHS for review				
b	Provide clarification as needed				
4	<i>Ongoing status meetings/updates between PCG and MDHHS project team</i>				
Milestone = Legislative Report					
PHASE	PHASE DESCRIPTION	START DATE	END DATE	HOURS	Cost
1	Facilitate Stakeholder Outreach	11/16/2020	12/15/2020	242	\$50,339
3	Develop Recommendations	12/15/2020	1/31/2021	457	\$91,568
3	Draft Legislative Report	1/15/2021	1/31/2021	269	\$57,891
Total		11/16/2020	1/31/2021	968	\$199,798

FEDERAL PROVISIONS ADDENDUM

This addendum applies to purchases that will be paid for in whole or in part with funds obtained from the federal government. The provisions below are required, and the language is not negotiable. If any provision below conflicts with the State's terms and conditions, including any attachments, schedules, or exhibits to the State's Contract, the provisions below take priority to the extent a provision is required by federal law; otherwise, the order of precedence set forth in the Contract applies. Hyperlinks are provided for convenience only; broken hyperlinks will not relieve Contractor from compliance with the law.

1. Equal Employment Opportunity

If this Contract is a “**federally assisted construction contract**” as defined in [41 CFR Part 60-1.3](#), and except as otherwise may be provided under [41 CFR Part 60](#), then during performance of this Contract, the Contractor agrees as follows:

- a. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
- b. The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.
- c. The Contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Contractor's legal duty to furnish information.

FEDERAL PROVISIONS ADDENDUM

- d. The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- e. The Contractor will comply with all provisions of [Executive Order 11246](#) of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- f. The Contractor will furnish all information and reports required by [Executive Order 11246](#) of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- g. In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in [Executive Order 11246](#) of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in [Executive Order 11246](#) of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- h. The Contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of [Executive Order 11246](#) of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: *Provided*, that if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

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The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

2. Davis-Bacon Act (Prevailing Wage)

If this Contract is a **prime construction contract** in excess of \$2,000, the Contractor (and its Subcontractors) must comply with the Davis-Bacon Act ([40 USC 3141-3148](#)) as supplemented by Department of Labor regulations ([29 CFR Part 5](#), "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"), and during performance of this Contract the Contractor agrees as follows:

- a. All transactions regarding this contract shall be done in compliance with the Davis-Bacon Act (40 U.S.C. 3141- 3144, and 3146-3148) and the requirements of 29 C.F.R. pt. 5 as may be applicable. The contractor shall comply with 40 U.S.C. 3141-3144, and 3146-3148 and the requirements of 29 C.F.R. pt. 5 as applicable.
- b. Contractors are required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor.
- c. Additionally, contractors are required to pay wages not less than once a week.

3. Copeland "Anti-Kickback" Act

If this Contract is a contract for construction or repair work in excess of \$2,000 where the Davis-Bacon Act applies, the Contractor must comply with the Copeland "Anti-

FEDERAL PROVISIONS ADDENDUM

Kickback" Act ([40 USC 3145](#)), as supplemented by Department of Labor regulations ([29 CFR Part 3](#), "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"), which prohibits the Contractor and subrecipients from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled, and during performance of this Contract the Contractor agrees as follows:

- a. **Contractor.** The Contractor shall comply with 18 U.S.C. §874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. pt. 3 as may be applicable, which are incorporated by reference into this contract.
- b. **Subcontracts.** The Contractor or Subcontractor shall insert in any subcontracts the clause above and such other clauses as FEMA or the applicable federal awarding agency may by appropriate instructions require, and also a clause requiring the Subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.
- c. **Breach.** A breach of the contract clauses above may be grounds for termination of the contract, and for debarment as a Contractor and Subcontractor as provided in 29 C.F.R. § 5.12.

4. Contract Work Hours and Safety Standards Act

If the Contract is **in excess of \$100,000 and involves the employment of mechanics or laborers**, the Contractor must comply with [40 USC 3702](#) and [3704](#), as supplemented by Department of Labor regulations ([29 CFR Part 5](#)), as applicable, and during performance of this Contract the Contractor agrees as follows:

- a. **Overtime requirements.** No Contractor or Subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
- b. **Violation; liability for unpaid wages; liquidated damages.** In the event of any violation of the clause set forth in paragraph (1) of this section the Contractor and any Subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such Contractor and Subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of \$27 for each calendar day on which such individual was required or permitted to work in excess of the standard work

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week of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.

- c. **Withholding for unpaid wages and liquidated damages.** The State shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Contractor or Subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.
- d. **Subcontracts.** The Contractor or Subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1) through (4) of this section and also a clause requiring the Subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.

5. Rights to Inventions Made Under a Contract or Agreement

If the Contract is funded by a federal “funding agreement” as defined under [37 CFR §401.2 \(a\)](#) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with [37 CFR Part 401](#), “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

6. Clean Air Act and the Federal Water Pollution Control Act

If this Contract is **in excess of \$150,000**, the Contractor must comply with all applicable standards, orders, and regulations issued under the Clean Air Act ([42 USC 7401-7671q](#)) and the Federal Water Pollution Control Act ([33 USC 1251-1387](#)), and during performance of this Contract the Contractor agrees as follows:

Clean Air Act

1. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.
2. The Contractor agrees to report each violation to the State and understands and agrees that the State will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency or the applicable federal awarding agency, and the appropriate Environmental Protection Agency

FEDERAL PROVISIONS ADDENDUM

Regional Office.

3. The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA or the applicable federal awarding agency.

Federal Water Pollution Control Act

1. The Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.
2. The Contractor agrees to report each violation to the State and understands and agrees that the State will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency or the applicable federal awarding agency, and the appropriate Environmental Protection Agency Regional Office.
3. The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA or the applicable federal awarding agency.

7. Debarment and Suspension

A “contract award” (see [2 CFR 180.220](#)) must not be made to parties listed on the government-wide exclusions in the [System for Award Management](#) (SAM), in accordance with the OMB guidelines at [2 CFR 180](#) that implement [Executive Orders 12549](#) ([51 FR 6370; February 21, 1986](#)) and [12689](#) ([54 FR 34131; August 18, 1989](#)), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than [Executive Order 12549](#).

- a. This Contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such, the Contractor is required to verify that none of the Contractor’s principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).
- b. The Contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.
- c. This certification is a material representation of fact relied upon by the State. If it is later determined that the contractor did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the State, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.
- d. The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and

FEDERAL PROVISIONS ADDENDUM

throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

8. Byrd Anti-Lobbying Amendment

Contractors who apply or bid for an award of **\$100,000 or more** shall file the required certification in *Exhibit 1 – Byrd Anti-Lobbying Certification* below. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the awarding agency.

9. Procurement of Recovered Materials

Under [2 CFR 200.322](#), Contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act.

- a. In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired:
 - i. Competitively within a timeframe providing for compliance with the contract performance schedule;
 - ii. Meeting contract performance requirements; or
 - iii. At a reasonable price.
- b. Information about this requirement, along with the list of EPA- designated items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.
- c. The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

10. Additional FEMA Contract Provisions.

The following provisions apply to purchases that will be paid for in whole or in part with funds obtained from the Federal Emergency Management Agency (FEMA):

- a. **Access to Records.** The following access to records requirements apply to this contract:
 - i. The Contractor agrees to provide the State, the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of

FEDERAL PROVISIONS ADDENDUM

- making audits, examinations, excerpts, and transcriptions.
- ii. The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
 - iii. The Contractor agrees to provide the FEMA Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.

In compliance with the Disaster Recovery Act of 2018, the State and the Contractor acknowledge and agree that no language in this contract is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.

b. Changes.

See the provisions regarding modifications or change notice in the Contract Terms.

c. DHS Seal Logo and Flags.

The Contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.

d. Compliance with Federal Law, Regulations, and Executive Orders.

This is an acknowledgement that FEMA financial assistance will be used to fund all or a portion of the contract. The Contractor will comply with all applicable Federal law, regulations, executive orders, FEMA policies, procedures, and directives.

e. No Obligation by Federal Government.

The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the State, Contractor, or any other party pertaining to any matter resulting from the Contract.”

f. Program Fraud and False or Fraudulent Statements or Related Acts

The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor’s actions pertaining to this contract.

EXHIBIT 1

BYRD ANTI-LOBBYING CERTIFICATION

Contractor must complete this certification if the purchase will be paid for in whole or in part with funds obtained from the federal government and the purchase is greater than \$100,000.

APPENDIX A, 44 C.F.R. PART 18 – CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

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

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

EXHIBIT 1 - BYRD ANTI-LOBBYING CERTIFICATION

The Contractor, Public Consulting Group Inc, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. Chap. 38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.

Signature of Contractor's Authorized Official

Name and Title of Contractor's Authorized Official

Date



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **9**

to

Contract Number **071B5500051**

CONTRACTOR	PUBLIC CONSULTING GROUP INC	STATE	Program Manager	Various	MDHHS
	148 State Street , 10th Floor				
	Boston, MA 02109				
	Heather Baker		Contract Administrator	Courtney Powell	DTMB
	617-426-2026			(517) 249-0452	
	hbaker@pcgus.com			powellc11@michigan.gov	
	CV0000862				

CONTRACT SUMMARY

ACTUARIAL SERVICES				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS		EXPIRATION DATE BEFORE
January 1, 2015	December 31, 2019	2 - 1 Year		December 31, 2021
PAYMENT TERMS		DELIVERY TIMEFRAME		
NET45		N/A		
ALTERNATE PAYMENT OPTIONS				EXTENDED PURCHASING
<input type="checkbox"/> P-Card	<input type="checkbox"/> PRC	<input type="checkbox"/> Other		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,544,437.65	\$117,000.00	\$2,661,437.65		

DESCRIPTION

Effective November 6, 2020, the following amendments are incorporated into this Contract:

1. The pricing on this contract is hereby updated, per revised Attachment, Exhibit C, Pricing
2. The Michigan Department of Labor and Economic Opportunity (LEO) Statement of Work (SOW), previously added as Change Notice 5, is hereby extended through September 30, 2021, and is increased by \$117,000.00 to continue to conduct an actuarial study to develop a rate-setting methodology to assign costs for purchased Vocational Rehabilitation (VR) services, for Michigan Rehabilitation Services (MRS), on an as-needed basis and upon request.
3. Section (5, 5.2) of the original Project Timeline identified in Change Notice #5 has been updated, per the attached Project Timeline.
4. Exhibit A, Statement of Work, Section 2.8 Staffing Table - The Contractor has replaced Jonathan Mattingly with Christine Newhall, Senior Advisor: Phone: 617-717-1001 in the Personnel Chart (MRS Rate Assessment).

All other terms, conditions, specifications and pricing remain the same. Per Contractor and Agency agreement, and DTMB Central Procurement Services approval.

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDHHS	Susan Kangas	(517) 373-7914	kangass1@michigan.gov
MDHHS	Nancy Rostoni	(517) 388-3910	rostonin@michigan.gov
LEO	Nathan Kammer	(517) 335-5035	KammerN@michigan.gov

STATE OF MICHIGAN

Contract No. 071B5500051

Performance Based Child Welfare System Actuarial Services and MRS Rate Setting

EXHIBIT C - PRICING

1. Prices quoted in this list are fixed for the duration of the Contract.
2. Travel. 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 the Contractor for the expense at the state's current travel reimbursement rates. See www.michigan.gov/dtmb for current rates.

1. Analyses (Fixed-Fee Deliverables)				
Deliverable	Price		Years	Subtotal
Case Rates for Child Welfare Services	\$104,532	x	2	\$209,064
Cost Based Per Diem Rates for Child Welfare Services	\$106,732	x	2	\$213,464
MRS Rate Assessment and Recommendations	\$149,343	x	2	\$298,686
			Analyses Services Subtotal	\$721,214
2. Consulting Services (Variable-Fee Deliverables) (1)				
Staff Role	Hourly Rate		Hours	
Lead Actuary	\$333		TBD	
Engagement Manager	\$276		TBD	
Sr. Project Manager	\$276		TBD	
Sr. Project Team Lead	\$257		TBD	
Project Manager	\$214		TBD	
Senior Advisor	\$214		TBD	
Subject Matter Expert	\$214		TBD	
Project Team Lead	\$214		TBD	
Associate Actuary	\$200		TBD	
Project Team Analyst	\$166		TBD	
Project Advisor	\$145		TBD	
Data Analyst	\$119		TBD	
Financial Analyst	\$95		TBD	
(1) Consulting Services for Ad Hoc Requests (To Be Approved via Purchase Order Issuance).				

Specify any additional cost (if necessary)	
--	--

Cost must be broken out separately.	
Start-up Costs	\$

Name	Key Personnel Yes / No	Title
Heather Baker	Yes	Engagement Manager
Jennifer MacBlane	Yes	Sr. Project Manager
Sarah Salisbury	No	Engagement Manager
Jackie Lee	Yes	Lead Actuary
Maureen Stanton	No	Project Advisor
Joe Carbeau	No	Sr. Project Team Lead
Christine Newhall	No	Senior Advisor
Mary Alice Carroll	No	Project Team Lead
Paula Collins	No	Project Team Analyst
Esther Hering	No	Financial Analyst
Traci Hughes	No	Associate Actuary
Maya Cox	No	Subject Matter Expert
Margaux Hoagland	No	Data Analyst
Jaymi Cohen	No	Project Team Analyst

Cost and Hours by Deliverable:

Case Rates for Child Welfare Services

Phase/Deliverable	Cost	Hours	Timeframe
Review and analyze expenditure and revenue data	\$34,844	150	1/1/2020 – 12/31/2020
Produce periodic Kent County case rate monitoring reports (at least quarterly, but more often if needed); and facilitate meetings with MDHHS, the WMPC, and other stakeholders to review the Kent County case rate monitoring results and utilization management strategies	\$27,875	120	1/1/2020 – 12/31/2020
Revise the Kent County case rate as needed due to monitoring results and/or policy changes.	\$34,844	150	1/1/2020 – 12/31/2020
Ongoing assistance and discussion related to claiming the adoption case rate and maximizing Title IV-E	\$10,453	45	1/1/2020 – 12/31/2020
Work with MDHHS to identify ways to better collect data to monitor the reasonableness of the adoption rate; and	\$6,969	30	1/1/2020 – 12/31/2020
Adjust the adoption case rate based on policy changes and/or changes in cost.	\$10,453	45	1/1/2020 – 12/31/2020
Totals	\$125,438	540	

Phase/Deliverable	Cost	Hours	Timeframe
Review and analyze expenditure and revenue data	\$20,965	95	1/1/2021 – 12/31/2021
Produce periodic Kent County case rate monitoring reports (at least quarterly, but more often if needed); and facilitate meetings with MDHHS, the WMPC, and other stakeholders to review the Kent County case rate monitoring results and utilization management strategies	\$19,861	90	1/1/2021 – 12/31/2021
Revise the Kent County case rate as needed due to monitoring results and/or policy changes.	\$20,965	95	1/1/2021 – 12/31/2021
Ongoing assistance and discussion related to claiming the adoption case rate and maximizing Title IV-E	\$6,621	30	1/1/2021 – 12/31/2021
Work with MDHHS to identify ways to better collect data to monitor the reasonableness of the adoption rate; and	\$4,414	20	1/1/2021 – 12/31/2021
Adjust the adoption case rate based on policy changes and/or changes in cost.	\$6,621	30	1/1/2021 – 12/31/2021
Totals	\$79,447	360	

Cost Based Per Diem Rates for Child Welfare Services

Phase/Deliverable	Cost	Hours	Timeframe
Cost Report Data Analysis	\$45,806	220	March - July 2019
Q RTP Review	\$19,016	88	March - July 2019
Rate Calculation	\$27,204	130	June - July 2019
Impact Analysis	\$19,825	95	April - July 2019
Review Rates with Stakeholders	\$42,622	176	Aug 2019
Complete Rate Recommendations	\$36,940	168	Sept - Nov 2019
Rate Monitoring	\$22,050	118	Nov - Dec 2019
Totals	\$213,463	995	

MRS Rate Assessment

Phase/Deliverable	Cost	Hours	Timeframe
Initial Assessment	\$28,087	110	8/1/2019 - 9/20/2019
Comprehensive Analysis of Industry Standards	\$55,715	275	9/23/2019 - 12/22/2019
Service and Cost Collection Instrument Distribution, Data Collection and Validation	\$52,816	296	11/1/2019 - 3/31/2020
Analysis and Fee Structure Recommendations	\$123,783	561	4/1/2020 - 6/30/2020
Additional Support and Technical Assistance	\$38,285	160	7/1/2020 - 10/31/2020
Total	\$298,686	1,402	

****This amendment will update section (5, 5.2) of the original project timeline identified in Change Notice #5 and increase the agreement by \$117,000.**

State of Michigan
Contract No. 071B5500051
Change Notice No. 9

Rate Setting to Assign Costs for Purchased Vocational Rehabilitation (VR) Services for Michigan
Rehabilitation Services (MRS)

Project Timeline

5. Additional Support and Technical Assistance

	Description	Hours	Rate	End Date
5.2	Provide technical assistance and additional consultation	10 hours per week/520 hours per year (estimated)	\$225 per hour	9/30/2021

Tasks:

Each task or assignment requested by MRS would be evaluated by PCG. PCG will then provide MRS with a written project outline indicating the estimated number of project hours required and expected work completion date. MRS will then approve the project or request changes to the estimate.



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **8**

to

Contract Number **071B5500051**

CONTRACTOR	PUBLIC CONSULTING GROUP INC	STATE	Program Manager	Various	MDHHS
	148 State Street , 10th Floor				
	Boston, MA 02109				
	Heather Baker		Contract Administrator	Courtney Powell	DTMB
	617-426-2026			(517) 249-0452	
	hbaker@pcgus.com			powellc11@michigan.gov	
CV0000862					

CONTRACT SUMMARY				
ACTUARIAL SERVICES				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS		EXPIRATION DATE BEFORE
January 1, 2015	December 31, 2019	2 - 1 Year		December 31, 2021
PAYMENT TERMS		DELIVERY TIMEFRAME		
NET45		N/A		
ALTERNATE PAYMENT OPTIONS				EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,139,400.50	\$405,037.15	\$2,544,437.65		
DESCRIPTION				
Effective September 11, 2020, this Contract is increased by \$405,037.15 for child welfare per diem and case rate setting for Michigan Department of Health and Human Services - Children’s Services Administration (CSA) use.				
Please note the Contract Administrator has been changed to Courtney Powell: Phone: 517-249-0452; Email: powellc11@michigan.gov, per Section 2 and 3 of Standard Contract Terms.				
All other terms, conditions, specifications, and pricing remain the same. Per Contractor and Agency agreement, DTMB Central Procurement Services approval, and State Administrative Board approval on September 10, 2020.				

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDHHS	Susan Kangas	(517) 373-7914	kangass1@michigan.gov
MDHHS	Nancy Rostoni	(517) 388-3910	rostonin@michigan.gov
MDHHS	Nathan Kammer	(517) 335-5035	KammerN@michigan.gov



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **7**

to

Contract Number **071B5500051**

CONTRACTOR	PUBLIC CONSULTING GROUP INC
	148 State Street , 10th Floor
	Boston, MA 02109
	Heather Baker
	617-426-2026
	hbaker@pcgus.com
	CV0000862

STATE	Program Manager	Various	MDHHS
	Contract Administrator	Courtney Powell	DTMB
		(517) 249-0452	
		powellc11@michigan.gov	

CONTRACT SUMMARY				
ACTUARIAL SERVICES				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS		EXPIRATION DATE BEFORE
January 1, 2015	December 31, 2019	2 - 1 Year		December 31, 2021
PAYMENT TERMS		DELIVERY TIMEFRAME		
NET45		N/A		
ALTERNATE PAYMENT OPTIONS				EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,139,400.50	\$0.00	\$2,139,400.50		
DESCRIPTION				
Effective January 8, 2020, the following language addendum is incorporated into this Contract, see attached document: Addition to Statement of Work, Section, Additional Terms and Conditions, 2. Confidentiality of Michigan Rehabilitation Services (MRS) Vendors.				
All other terms, conditions, specifications and pricing remain the same. Per Contractor and Agency agreement, and DTMB Central Procurement Services approval.				

STATE OF MICHIGAN

Contract No. 071B5500051

Addition to Statement of Work (SOW):

Section: Additional Terms and Conditions

2. Confidentiality of Michigan Rehabilitation Services (MRS) Vendors

The Contractor shall maintain complete confidential records for the benefit of MRS vendors, sufficient to fulfill the provisions of, and to document the services rendered under, the Addition to the Statement of Work set for in Change Notice No. 5. All records maintained by the Contractor pursuant to this provision will be maintained confidentially unless (a) the Contractor receives the express written authorization of the MRS vendor to disclose one of its own record or (b) required by law or applicable court order. To the extent the Contractor provides any information concerning these otherwise confidential records and information to MRS, such records and information will be in aggregated and/or de-identified format. Such records and information developed under this Agreement may not be used by the Contractor in any other manner other than as authorized explicitly under the Statement of Work or otherwise disclosed to a third party in any form. MRS represents that such financial and personnel records of MRS vendors, submitted to the Contractor shall be exempt from the Michigan Freedom of Information Act requests under Section 13(1)(f), as applicable to Michigan Freedom of Information Act rules.

STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909



CONTRACT CHANGE NOTICE

Change Notice Number **6**
 to
 Contract Number **071B5500051**

CONTRACTOR	PUBLIC CONSULTING GROUP INC
	148 State Street , 10th Floor
	Boston, MA 02109
	Heather Baker
	617-426-2026
	hbaker@pcgus.com
	CV0000862

STATE	Program Manager	Various	MDHHS
	Contract Administrator	Lisa Spitzley	DTMB
		(517) 249-0440	
		spitzleyl4@michigan.gov	

CONTRACT SUMMARY				
ACTUARIAL SERVICES				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS		EXPIRATION DATE BEFORE
January 1, 2015	December 31, 2019	2 - 1 Year		December 31, 2019
PAYMENT TERMS		DELIVERY TIMEFRAME		
NET45		N/A		
ALTERNATE PAYMENT OPTIONS				EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	2 Years	<input type="checkbox"/>	N/A	December 31, 2021
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$1,739,400.50	\$400,000.00	\$2,139,400.50		
DESCRIPTION				
Effective July 30, 2019, please note the following:				
1. This Contract is hereby increased by 400,000.00, [\$150,000 Child Welfare funds and \$250,000 Foster Care funds].				
2. The two, one-year options are hereby exercised, the revised contract expiration date is December 31, 2021,				
3. Staffing Tables are replaced under Section 2.8. in Statement of Work, see attached Staffing Tables,				
4. Organizational Chart is replaced under Section 2.10. in Statement of Work, see Attached Organizational Charts,				
5. Section 41, Nondiscrimination under Terms and Conditions is replaced, see attached.				
Effective January 1, 2020:				
1. Pricing is replaced see attached Exhibit C.				
All other terms, conditions, specifications, and pricing remain the same. Per Contractor and Agency agreement, DTMB Procurement approval. and State Administrative Board approval on July 30, 2019.				

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDHHS	Nathan Kammer	(517) 335-5035	KammerN@michigan.gov
MDHHS	Susan Kangas	(517) 373-7914	kangass1@michigan.gov
MDHHS	Nancy Rostoni	(517) 388-3910	rostonin@michigan.gov

STATE OF MICHIGAN

Contract No. 071B5500051

Performance Based Child Welfare System Actuarial Services and MRS Rate Setting

EXHIBIT C - PRICING

1. Prices quoted in this list are fixed for the duration of the Contract.
2. Travel. 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 the Contractor for the expense at the state's current travel reimbursement rates. See www.michigan.gov/dtmb for current rates.

1. Analyses (Fixed-Fee Deliverables)				
Deliverable	Price		Years	Subtotal
Case Rates for Child Welfare Services	\$104,532	x	2	\$209,064
Cost Based Per Diem Rates for Child Welfare Services	\$106,732	x	2	\$213,464
MRS Rate Assessment and Recommendations	\$149,343	x	2	\$298,686
			Analyses Services Subtotal	\$721,214
2. Consulting Services (Variable-Fee Deliverables) (1)				
Staff Role	Hourly Rate		Hours	
Lead Actuary	\$350		TBD	
Engagement Manager	\$290		TBD	
Sr. Project Manager	\$290		TBD	
Sr. Project Team Lead	\$270		TBD	
Project Manager	\$225		TBD	
Subject Matter Expert	\$225		TBD	
Project Team Lead	\$225		TBD	
Associate Actuary	\$210		TBD	
Project Team Analyst	\$175		TBD	
Project Advisor	\$153		TBD	
Data Analyst	\$125		TBD	
Financial Analyst	\$100		TBD	
(1) Consulting Services for Ad Hoc Requests (To Be Approved via Purchase Order Issuance).				

Specify any additional cost (if necessary)	
--	--

Cost must be broken out separately.	
Start-up Costs	\$

Name	Key Personnel Yes / No	Title
Heather Baker	Yes	Engagement Manager
Jennifer MacBlane	Yes	Sr. Project Manager
Sarah Salisbury	No	Engagement Manager
Jackie Lee	Yes	Lead Actuary
Maureen Stanton	No	Project Advisor
Joe Carbeau	No	Sr. Project Team Lead
Jonathan Mattingly	No	Project Manager
Mary Alice Carroll	No	Project Team Lead
Paula Collins	No	Project Team Analyst
Esther Hering	No	Financial Analyst
Traci Hughes	No	Associate Actuary
Maya Cox	No	Subject Matter Expert
Margaux Hoagland	No	Data Analyst
Jaymi Cohen	No	Project Team Analyst

Cost and Hours by Deliverable:

Case Rates for Child Welfare Services

Phase/Deliverable	Cost	Hours	Timeframe
Review and analyze expenditure and revenue data	\$34,844	150	1/1/2020 – 12/31/2020
Produce periodic Kent County case rate monitoring reports (at least quarterly, but more often if needed); and facilitate meetings with MDHHS, the WMPC, and other stakeholders to review the Kent County case rate monitoring results and utilization management strategies	\$27,875	120	1/1/2020 – 12/31/2020
Revise the Kent County case rate as needed due to monitoring results and/or policy changes.	\$34,844	150	1/1/2020 – 12/31/2020
Ongoing assistance and discussion related to claiming the adoption case rate and maximizing Title IV-E	\$10,453	45	1/1/2020 – 12/31/2020
Work with MDHHS to identify ways to better collect data to monitor the reasonableness of the adoption rate; and	\$6,969	30	1/1/2020 – 12/31/2020
Adjust the adoption case rate based on policy changes and/or changes in cost.	\$10,453	45	1/1/2020 – 12/31/2020
Totals	\$125,438	540	

Phase/Deliverable	Cost	Hours	Timeframe
Review and analyze expenditure and revenue data	\$22,068	95	1/1/2021 – 12/31/2021
Produce periodic Kent County case rate monitoring reports (at least quarterly, but more often if needed); and facilitate meetings with MDHHS, the WMPC, and other stakeholders to review the Kent County case rate monitoring results and utilization management strategies	\$20,906	90	1/1/2021 – 12/31/2021
Revise the Kent County case rate as needed due to monitoring results and/or policy changes.	\$22,068	95	1/1/2021 – 12/31/2021
Ongoing assistance and discussion related to claiming the adoption case rate and maximizing Title IV-E	\$6,969	30	1/1/2021 – 12/31/2021
Work with MDHHS to identify ways to better collect data to monitor the reasonableness of the adoption rate; and	\$4,646	20	1/1/2021 – 12/31/2021
Adjust the adoption case rate based on policy changes and/or changes in cost.	\$6,969	30	1/1/2021 – 12/31/2021
Totals	\$83,625	360	

Cost Based Per Diem Rates for Child Welfare Services

Phase/Deliverable	Cost	Hours	Timeframe
Cost Report Data Analysis	\$45,806	220	March - July 2019
Q RTP Review	\$19,016	88	March - July 2019
Rate Calculation	\$27,204	130	June - July 2019
Impact Analysis	\$19,825	95	April - July 2019
Review Rates with Stakeholders	\$42,622	176	Aug 2019
Complete Rate Recommendations	\$36,940	168	Sept - Nov 2019
Rate Monitoring	\$22,050	118	Nov - Dec 2019
Totals	\$213,463	995	

MRS Rate Assessment

Phase/Deliverable	Cost	Hours	Timeframe
Initial Assessment	\$28,087	110	8/1/2019 - 9/20/2019
Comprehensive Analysis of Industry Standards	\$55,715	275	9/23/2019 - 12/22/2019
Service and Cost Collection Instrument Distribution, Data Collection and Validation	\$52,816	296	11/1/2019 - 3/31/2020
Analysis and Fee Structure Recommendations	\$123,783	561	4/1/2020 - 6/30/2020
Additional Support and Technical Assistance	\$38,285	160	7/1/2020 - 10/31/2020
Total	\$298,686	1,402	

Update to Exhibit A, Statement of Work, Section 2.8.

Personnel Chart: (Case Rates for Child Welfare and Cost Based Per Diem Rates):

[illegible]

Personnel Chart (MRS Rate Assessment):

[illegible]

STATE OF MICHIGAN

Contract No. 071B5500051

**Performance Based Child Welfare System Actuarial Services – Department of Health and Human Services (DHHS)
Change Notice No. 6**

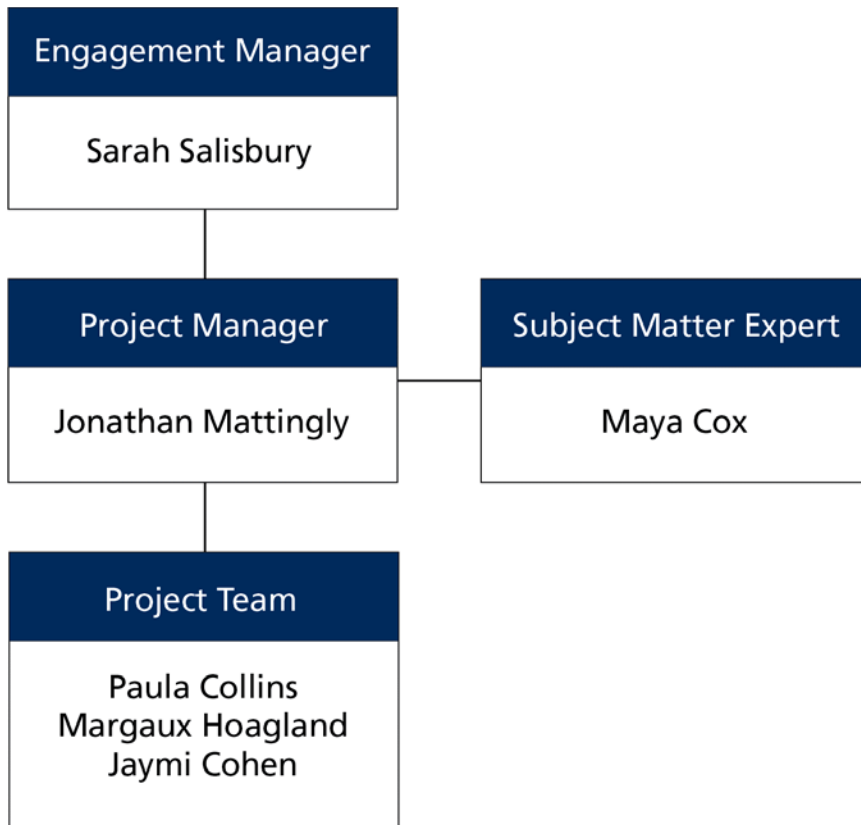
Update to Exhibit A, Statement of Work, Section 2.10.

Organizational Chart (Case Rates For Child Welfare and Cost Based Per Diem Rates):



Update to Exhibit A, Statement of Work, Section 2.10.

Organizational Chart (MRS Rate Assessment):



STATE OF MICHIGAN

Contract No. 071B5500051

Change Notice 6

Performance Based Child Welfare System Actuarial Services and MRS Rate Setting Terms and Conditions

Section 41 is replaced:

- 41. Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, and [Executive Directive 2019-09](#). 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 (as defined in Executive Directive 2019-09), height, weight, marital status, partisan considerations, any mental or physical disability, or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position. Breach of this covenant is a material breach of this Contract.

STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909



CONTRACT CHANGE NOTICE

Change Notice Number **5**
 to
 Contract Number **071B5500051**

CONTRACTOR	PUBLIC CONSULTING GROUP INC
	148 State Street , 10th Floor
	Boston, MA 02109
	Heather Baker
	617-426-2026
	hbaker@pcgus.com
	CV0000862

STATE	Program Manager	Various	MDHHS
	Contract Administrator	Spitzley, Lisa	DTMB
		(517) 249-0440	
		spitzleyl4@michigan.gov	

CONTRACT SUMMARY				
ACTUARIAL SERVICES				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS		EXPIRATION DATE BEFORE
January 1, 2015	December 31, 2019	2 - 1 Year		December 31, 2019
PAYMENT TERMS		DELIVERY TIMEFRAME		
NET45		N/A		
ALTERNATE PAYMENT OPTIONS				EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$1,440,714.50	\$298,686.00	\$1,739,400.50		
DESCRIPTION				
Effective July 8, 2019, please note the following:				
1. This Contract is hereby increased by \$298,686.00 to conduct an actuarial study to develop a rate-setting methodology to assign costs for purchased Vocational Rehabilitation (VR) services, for Michigan Rehabilitation Services (MRS), see attached addition to the Statement of Work for this project and attached Project Timeline.				
2. Pricing is updated to include pricing for these services, attached Exhibit C, Pricing,				
3. Staffing Table is replaced under Section 2.8. in Statement of Work, see attached Staffing Table,				
4. Organizational Chart is replaced under Section 2.10. in Statement of Work, see Attached Organizational Charts,				
5. Nathan Kammer is added as a Program Manager for Dept. of Labor and Economic Opportunity (LEO).				
All other terms, conditions, specifications and pricing remain the same per Contractor and Agency agreement, and DTMB Procurement approval.				

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDHHS	Nathan Kammer	(517) 335-5035	KammerN@michigan.gov
MDHHS	Susan Kangas	(517) 373-7914	kangass1@michigan.gov
MDHHS	Nancy Rostoni	(517) 388-3910	rostonin@michigan.gov

STATE OF MICHIGAN

Contract No. 071B5500051

Performance Based Child Welfare System Actuarial Services – Department of Health and Human Services (DHHS)
Change Notice No. 5
Rate Setting to Assign Costs
for
Purchased Vocational Rehabilitation (VR) Services for Michigan Rehabilitation Services (MRS)
Project Time-line

#	PROJECT PHASE/TASK	START DATE	END DATE
1	INITIAL ASSESSMENT		
1.1	Kickoff meeting between PCG and MRS project team		
a	Preliminary call to review project plan (timelines, data contingency plan, communication plan, initial data request).	7/8/2019	8/16/2019
b	Review MRS provider and service materials (provider profile, MRS services from 34 CFR 361.48)		
c	Develop initial draft(s) of data collection tool(s) based on MRS services from 34 CFR 361.48 and cost principles from 2 CFR 200		
d	Onsite kickoff discussion of project plan and initial materials with MRS (and ideally provider) stakeholders		
1.2	Submit initial data request (e.g., MRS service authorization records, payment data, sample contracts, provider information, utilization information)	8/19/2019	8/23/2019
1.3	Review documents from data request	8/26/2019	8/30/2019
1.4	Assess site information, cost, utilization, and outcome information currently collected by MRS	7/8/2019	8/30/2019
		Hours	110
2	COMPREHENSIVE ANALYSIS OF INDUSTRY STANDARDS		
2.1	Identify and define key research questions with MRS related to industry standards for required VR services focusing on, but not limited to:	9/2/2019	9/30/2019
a	Industry standards for training		
b	Industry standards for education		
c	Industry standards for experience		
d	Industry standards for outcomes		
2.2	Complete comprehensive analysis of information, including:	10/3/2019	10/31/2019
a	Information/data from RSA and other federal entities		
b	Comparison data from states other than Michigan		
c	Comparison data from State of Michigan agencies		
d	Comparison data from service providers and associations		
2.3	Conduct focus groups by conference call or in Lansing area at state-provided facilities, whichever MRS prefers	11/3/2019	11/22/2019
	Plan and execute focus groups		
a	Debrief conference call with MRS		
2.4	Prepare final draft of service/cost collection tool(s)	9/2/2019	9/30/2019
a	PCG internal review		
b	Submit to MRS contacts for review and approval		
2.5	Ongoing status meetings between PCG and MRS project team	9/2/2019	11/22/2019
		Hours	275

3	SERVICE AND COST COLLECTION INSTRUMENT DISTRIBUTION, DATA COLLECTION AND VALIDATION		
3.1	Prepare designated phone line and email address for provider technical assistance	10/3/2019	10/7/2019
3.2	Notify and distribute service/cost collection tool(s) to providers	10/10/2019	10/21/2019
3.3	Update and review training materials and quality assurance plan with MRS	10/24/2019	10/28/2019
3.4	Conduct live webinars to train providers regarding cost report (assumes 6 trainings total)	10/31/2019	11/11/2019
a	Record one webinar per tool to be available to providers throughout process		

#	PROJECT PHASE/TASK	START DATE	END DATE
3.5	Provide technical assistance throughout service/cost collection period(s)	11/14/2019	12/9/2019
3.6	Catalogue submission of cost reports	12/12/2019	12/16/2019
a	Follow up via phone and/or email providers with tardy submissions		
3.6	Catalogue submission of time study and/or service information	12/12/2019	12/16/2019
a	Follow up via phone and/or email providers with tardy submissions		
3.7	Conduct quality assurance activities		
a	Review service and cost data for internal consistency and initial quality assurance checklist	12/19/2019	2/29/2020
b	Communicate with providers via phone and/or email to finalize cost data		
3.8	Compile cost report submissions into database for analysis	3/3/2020	3/7/2020
3.9	Ongoing status meetings between PCG and MRS project team	10/3/2019	3/7/2020
		Hours	296
4	ANALYSIS AND FEE STRUCTURE RECOMMENDATIONS		
4.1	Analysis of site visit and cost report results		
a	Analyze and aggregate finalized data collection instruments	3/10/2020	4/3/2020
b	Analyze costs/rates corresponding to services provided		
c	Analyze cost differences among providers with different attributes (e.g., geography, expertise)		
e	Develop statewide rate trends		
f	Present initial findings to MRS and confirm vision for forums and recommendations		
4.2	Develop recommendations	4/6/2020	4/10/2020
b	Develop recommendations for provider rates		
c	Present initial recommendations to MRS		
4.3	Facilitate community forums		
a	Facilitate six community forums throughout Michigan to engage with stakeholders and seek input on preliminary recommendations	4/13/2020	5/1/2020
b	Synthesize feedback and responses from stakeholders to include in final report and presentation of recommendations to the Commissioner		
4.4	Prepare first draft of final report	5/4/2020	5/13/2020
a	Submit to MRS for review		
4.5	Obtain feedback from MRS and make necessary revisions	5/13/2020	5/20/2020
4.6	In-person meeting to discuss recommendations and report with MRS's Executive Director	5/21/2020	5/22/2020
a	Include methodology, approaches and feedback from providers		
4.7	Make final revisions to report	5/25/2020	5/29/2020
a	Submit to MRS for review		
4.8	Obtain feedback from MRS and make necessary revisions	6/1/2020	6/5/2020
4.9	Ongoing status meetings between PCG and MRS project team	3/10/2020	6/5/2020
		Hours	561
5	ADDITIONAL SUPPORT AND TECHNICAL ASSISTANCE		
5.1	Provide MRS with information and support to the legislature, MDHHS, its audit bureau and other designated stakeholders as needed	6/8/2020	9/30/2020
5.2	Provide follow-up technical assistance and additional consultation	6/8/2020	9/30/2020
a	Includes three in-person meetings		
		Hours	160
		Total Hours	1402

STATE OF MICHIGAN

Contract No. 071B5500051

Performance Based Child Welfare System Actuarial Services – Department of Health and Human Services (DHHS)

Change Notice No. 5 Addition to Statement of Work Rate Setting to Assign Costs for

Purchased Vocational Rehabilitation (VR) Services for Michigan Rehabilitation Services (MRS)

This amendment is to add a program area to the Statement of Work (SOW).

The estimated budget is \$298,686.00 for this program area.

1. The following program area and language is hereby added to Exhibit A, Project Request Section:

Purpose Statement

Michigan Rehabilitation Services (MRS) is requesting technical assistance to develop a rate-setting methodology to assign costs for purchased vocational rehabilitation (VR) services. This will ensure all expenditures incurred for the provision of VR services are reasonable and allocable to the VR program. In addition, this will assure MRS is administering the VR program in a manner ensuring fiscal accountability and proper stewardship of public funds.

2. The following program area and language is hereby added to Exhibit A, Background Section:

This technical assistance is required by MRS to resolve a Federal monitoring finding citing a lack of internal controls to ensure rates for purchased vocational rehabilitation services are reasonable and necessary consistent with Uniform Guidance under 2 C.F.R. 200. The Rehabilitation Services Administration is requiring MRS to establish and maintain policies that govern the rates of payment for all purchased VR services, including pre-employment transition services, based on customary and reasonable costs established by the agency, as required by 34 C.F.R. 361.50 (c)(1).

MRS lacks the subject matter expertise and capacity to establish a methodology, conduct a provider cost analysis, and develop statewide standard service rates. MRS administers fiscal contracts and fee-for-service transactions for allowable VR services, however, provider rates are inconsistent. To comply with Federal requirements, assistance is necessary to align rate setting methodology and policy with Uniform Guidance.

3. The following program area and language is hereby added to Exhibit A, Requirements, Section 1. Work and Deliverable:

The Contractor must:

28. Initial Assessment • work with MRS to understand the current VR provider environment, how services are purchased, and the main goals of the rate evaluation.

29. Analysis of Industry Standards • Identify and define key research questions related to service sector standards. Gather information from comparable states and agencies.

30. Service and Cost Collection • Conducted focus group meetings with providers to engage stakeholders and receive feedback on a cost collection tool and overall process. Review historical service payment data. Use input from MRS and providers to develop a cost report tool to collect revenue, expenses, and service utilization data from providers.

31. Service and Cost Collection Instrument Distribution, Data Collection and Validation • Notify and distribute the cost report tool to a provider sample. For training purposes, create provider webinars, an instruction guide and record trainings. For further technical assistance, maintain phone and email hotlines. Track provider participation in the cost report process, and follow-up as necessary to encourage participation.

As providers submit completed cost reports, conduct a quality assurance review, and follow-up with providers for clarification as needed.

32. Analysis and Fee Structure Recommendations • Compile cost report data into a single database for analysis. Recommend rates based on accepted methodology and produce rate proposal document. Subsequently, conduct provider community forums throughout Michigan to review the recommendations.

33. Additional Support and Technical Assistance • Provide follow-up technical assistance and additional consultation as needed.

4. Exhibit A, Requirements, Section 2.12 Disclosure of Subcontractor

Original Contract requirements for this Section apply.

5. The following program area and language is hereby updated to Exhibit A, Section 3. Project Plan Management (only Section 3.1 was updated all other items in this Section remain the same):

1. The Contractor will carry out this project under the direction and control of the designated DHS Program Manager for each project.

STATE OF MICHIGAN

Contract No. 071B5500051

Performance Based Child Welfare System Actuarial Services and MRS Rate Setting

EXHIBIT C - PRICING - addition

1. Prices quoted in this list are fixed for the duration of the Contract.
2. Travel. 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 the Contractor for the expense at the state's current travel reimbursement rates. See www.michigan.gov/dtmb for current rates.

1. Analyses (Fixed-Fee Deliverables)				
Deliverable	Price		Years	Subtotal
MRS Rate Assessment and Recommendations	\$149,343	x	2	\$298,686
			Analyses Services Subtotal	\$298,686

Specify any additional cost (if necessary) Cost must be broken out separately.	
Start-up Costs	\$

Cost and Hours by Deliverable:

MRS Rate Assessment

Phase/Deliverable	Cost	Hours	Timeframe
Initial Assessment	\$28,087	110	7/8/2019 - 8/30/2019
Comprehensive Analysis of Industry Standards	\$55,715	275	9/2/2019 - 11/22/2019
Service and Cost Collection Instrument Distribution, Data Collection and Validation	\$52,816	296	10/3/2019 - 3/7/2020
Analysis and Fee Structure Recommendations	\$123,783	561	3/10/2020 - 6/5/2020
Additional Support and Technical Assistance	\$38,285	160	6/8/2020 - 9/30/2020
Total	\$298,686	1,402	

Update to Exhibit A, Statement of Work, Section 2.8. added Personnel Chart, below:

Name	Key Personnel Yes / No	Title
Heather Baker	Yes	Engagement Manager
Jennifer MacBlane	Yes	Sr. Project Manager
Sarah Salisbury	No	Engagement Manager
Jackie Lee	Yes	Lead Actuary
Maureen Stanton	No	Project Advisor
Joe Carbeau	No	Sr. Project Team Lead
Jonathan Mattingly	No	Project Manager
Mary Alice Carroll	No	Project Team Lead
Paula Collins	No	Project Team Analyst
Esther Hering	No	Financial Analyst
Traci Hughes	No	Associate Actuary
Maya Cox	No	Subject Matter Expert
Margaux Hoagland	No	Data Analyst
Jaymi Cohen	No	Project Team Analyst

Update to Exhibit A, Statement of Work, Section 2.8. to include

Personnel Chart (specific to MRS Rate Assessment):

Name	Key Personnel	Title	Role & Responsibilities	Percentage of time to this project	Contractor or Sub	Work Location	Hourly Rate	Est Hours
Sarah Salisbury	Yes	Engagement Manager	Responsible for overall success of project	11%	Contractor	Troy, NY	290	149
Jonathan Mattingly	Yes	Project Manager	Responsible for day to day activities and deliverables of project	25%	Contractor	Tallahassee, FL	225	345
Maya Cox	No	Subject Matter Expert	Provide subject matter expertise	7%	Contractor	Boston, MA	225	100
Paula Collins	No	Project Team Analyst	Responsible for completing project tasks related to rate setting	24%	Contractor	Boston, MA	175	332

[illegible]

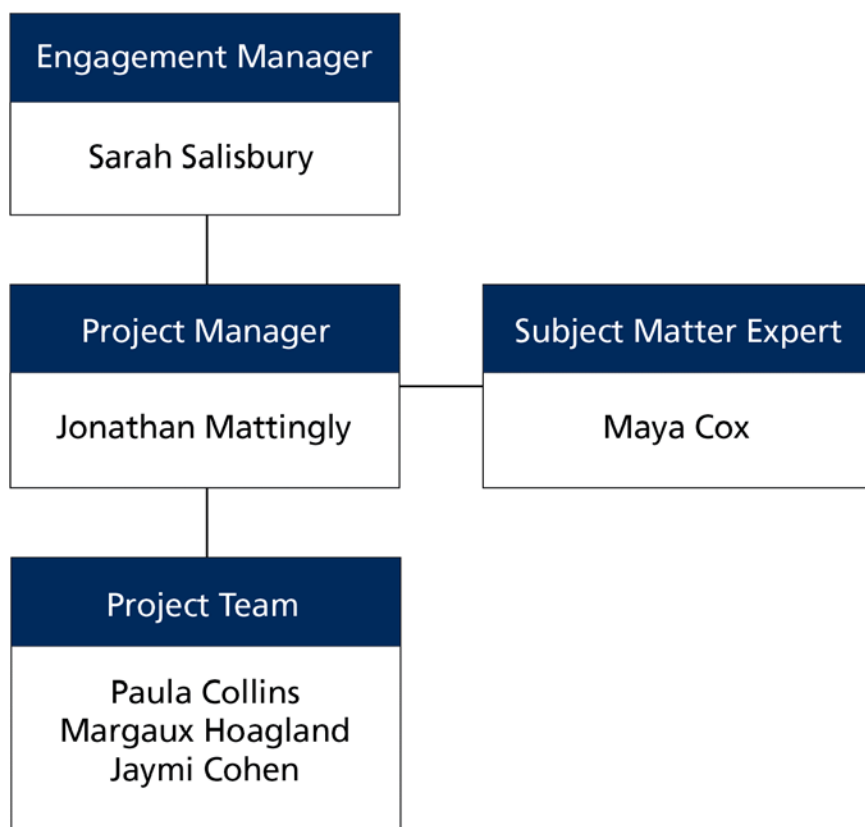
STATE OF MICHIGAN

Contract No. 071B5500051

**Performance Based Child Welfare System Actuarial Services – Department of Health and Human
Services (DHHS)
Change Notice No. 5**

Update to Exhibit A, Statement of Work, Section 2.10. to include:

Organizational Chart (MRS Rate Assessment):





STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **4**

to

Contract Number **071B5500051**

CONTRACTOR	PUBLIC CONSULTING GROUP INC
	148 State Street
	Boston, MA 02109
	Heather Baker
	617-426-2026
	hbaker@pcgus.com
	CV0000862

STATE	Program Manager	Various	MDHHS
	Contract Administrator	Lisa Spitzley	DTMB
		(517) 249-0440	
		spitzleyl4@michigan.gov	

CONTRACT SUMMARY				
ACTUARIAL SERVICES				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
January 1, 2015	December 31, 2019	2 - 1 Year	December 31, 2019	
PAYMENT TERMS		DELIVERY TIMEFRAME		
NET45		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<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				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$1,390,714.50	\$50,000.00	\$1,440,714.50		
DESCRIPTION				
Effective October 4, 2018, this Contract is hereby increased by \$50,000.00 to conduct an actuarial study on adoption rates to help determine if any adjustments are required in the rating structure.				
Please also note that the Contract Administrator is hereby changed to Lisa Spitzley (Standard Contract Terms, Section 3. Contract Administrator).				
All other terms, conditions, specifications and pricing remain the same per Contractor and Agency agreement, and per DTMB Procurement approval.				

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDHHS	Susan Kangas	(517) 373-7914	kangass1@michigan.gov
MDHHS	Nancy Rostoni	(517) 388-3910	rostonin@michigan.gov



STATE OF MICHIGAN
ENTERPRISE PROCUREMENT
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **3**
 to
 Contract Number **071B5500051**

CONTRACTOR	PUBLIC CONSULTING GROUP INC
	148 State Street
	Boston, MA 02109
	Heather Baker
	617-426-2026
	hbaker@pcgus.com
	*****2913

STATE	Program Manager	Various	MDHHS
	Contract Administrator	Joshua Wilson	DTMB
		(517) 249-0444	
		wilsonj31@michigan.gov	

CONTRACT SUMMARY				
PERFORMANCE BASED CHILD WELFARE ACTUARIAL SERVICES - DEPARTMENT OF HEALTH AND HUMAN SERVICES (DHHS)				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
January 1, 2015	December 13, 2019	2 - 1 Year	December 31, 2019	
PAYMENT TERMS		DELIVERY TIMEFRAME		
NET45		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<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				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$1,335,714.50	\$55,000.00	\$1,390,714.50		
DESCRIPTION				
Effective February 26, 2018, this Contract is hereby increased by \$55,000.00 to assess foster parent rates. The assessment will be conducted in two phases over a six-month period; 1. Kick-Off and Research, and 2. Rate Development.				
Please also note that the Contract Administrator is hereby changed to Joshua Wilson (Standard Contract Terms, Section 3. Contract Administrator).				
All other terms, conditions, specifications and pricing remain the same per Contractor and Agency agreement, and per DTMB Procurement approval.				

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
MDHHS	Susan Kangas	(517) 373-7914	kangass1@michigan.gov
MDHHS	Nancy Rostoni	(517) 388-3910	rostonin@michigan.gov

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

CHANGE NOTICE NO. 2
 to
CONTRACT NO. 071B5500051
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Public Consulting Group 148 State Street, 10th Floor Boston, MA 02109	Heather Baker	hbaker@pcgus.com
	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
	(617) 426-2026	2913

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DHHS	Susan Kangas Nancy Rostoni	(517) 373-7914 (517) 388-3910	kangass1@michigan.gov rostonin@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Chelsea Edgett	(517) 284-7031	edgettcc@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Performance Based Child Welfare Actuarial Services			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
January 1, 2015	December 31, 2019	(2) 1-Year Options	December 31, 2019
PAYMENT TERMS	F.O.B.	SHIPPED TO	
Net 45	N/A	N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<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			

DESCRIPTION OF CHANGE NOTICE				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF EXTENSION/OPTION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		December 31, 2019
CURRENT VALUE		VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE	
\$1,335,714.50		\$0.00	\$1,335,714.50	

DESCRIPTION:

Please note the Contract Administrator has been changed to Chelsea Edgett. Also, please note the DHHS Program Managers are Susan Kangas and Nancy Rostoni. All other terms, conditions, specifications, and pricing remains the same, per Contractor and Agency agreement, and DTMB Procurement approval.

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

CHANGE NOTICE NO. 1
 to
CONTRACT NO. 071B5500051
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Public Consulting Group 148 State Street, 10 th Floor Boston, MA 02109	Heather Baker	hbaker@pcgus.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(617) 426-2026	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DHS	Amanda Bright McClanahan	517-241-9056	brighta@michigan.gov
		Nancy Rostoni	517-388-3910	rostonin@michigan.gov
BUYER	DTMB	Brandon Samuel	517-284-7025	Samuelb@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Performance Based Child Welfare Actuarial Services			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
January 1, 2015	December 31, 2019	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			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$0.00		\$1,335,714.50		

Effective January 26, 2015, the Co-Program Mangers for DHS has been updated

Amanda Bright McClanahan
 Director, Budget and Grant Management Division
 Department of Human Services
 235 S. Grand Avenue
 Lansing, MI 48909
 517-241-9056
 brighta@michigan.gov

Nancy Rostoni
 Foster Care Program Office
 Department of Human Services
 235 S. Grand Avenue, Suite 510
 Lansing, MI 48909
 517-388-3910
 rostonin@michigan.gov

All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement,

and DTMB Procurement approval.

Form No. DTMB-3522 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

NOTICE
OF
CONTRACT NO. **071B5500051**
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Public Consulting Group 148 State Street, 10 th Floor Boston, MA 02109	Heather Baker	hbaker@pcgus.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(617) 426-2026	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
Program Manager:	DHS	TBD		
BUYER:	DTMB	Brandon Samuel	(517) 284-7025	Samuelb@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION:			
Performance Based Child Welfare Actuarial Services			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
5 years	January 1, 2015	December 31, 2019	Two – one year options
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:		\$1,335,714.50	

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. 071B5500051
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Public Consulting Group 148 State Street, 10 th Floor Boston, MA 02109	Heather Baker	hbaker@pcgus.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(617) 426-2026	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
Program Manager:	DHS	TBD		
BUYER:	DTMB	Brandon Samuel	(517) 284-7025	Samuelb@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION:			
Performance Based Child Welfare Actuarial Services			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
5 years	January 1, 2015	December 31, 2019	Two – one year options
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:		\$1,335,714.50	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #007114B0003013. 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 #: 071B5500051

FOR THE CONTRACTOR:	FOR THE STATE:
Public Consulting Group	Signature
Authorized Agent Signature	Sharon Walenga-Maynard/Sourcing Director
Authorized Agent (Print or Type)	DTMB-Procurement
Date	Date



STATE OF MICHIGAN

STANDARD CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and Public Consulting Group (“**Contractor**”) a Massachusetts Corporation. This Contract is for five years, effective on 1/1/15 (“**Effective Date**”), and unless terminated, expires on 12/31/19.

This Contract may be renewed for up to two additional – one year periods. 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:
Brandon Samuel 525 W. Allegan St. 1 st FLR NE P.O. Box 30026 Lansing, MI 48909 samuelb@michigan.gov 517-284-7025	Heather Baker 148 State Street, 10 th Floor Boston, MA 02109 hbaker@pcgus.com 617-717-1264

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:
Brandon Samuel 525 W. Allegan St. 1 st FLR NE P.O. Box 30026 Lansing, MI 48909 samuelb@michigan.gov 517-284-7025	Heather Baker 148 State Street, 10 th Floor Boston, MA 02109 hbaker@pcgus.com 617-717-1264



4. **Program Manager.** The Program Manager for each party will monitor and coordinate the day-to-day activities of the Contract: Project Manager TBD
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	
<u>Minimal Limits:</u> \$1,000,000 Each Occurrence Limit \$1,000,000 Personal & Advertising Injury Limit \$2,000,000 General Aggregate Limit \$2,000,000 Products/Completed Operations <u>Deductible Maximum:</u> \$50,000 Each Occurrence	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 three years of tail coverage.
Motor Vehicle Insurance	
<u>Minimal Limits:</u> \$1,000,000 Per Occurrence	
Workers' Compensation Insurance	
<u>Minimal Limits:</u> Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
Employers Liability Insurance	
<u>Minimal Limits:</u> \$100,000 Each Accident \$100,000 Each Employee by Disease \$500,000 Aggregate Disease.	

Cyber Liability Insurance	
<u>Minimal Limits:</u> \$1,000,000 Each Occurrence \$1,000,000 Annual Aggregate	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.
Hired and Non-Owned Motor Vehicle Insurance	
<u>Minimal Limits:</u> \$1,000,000 Per Accident	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.
Professional Liability (Errors and Omissions) Insurance	
<u>Minimal Limits:</u> \$5,000,000 Each Occurrence \$5,000,000 Annual Aggregate <u>Deductible Maximum:</u> \$50,000 Per Loss	Contractor must have for any claims-made policy: (1) a retroactive date shown and be before the execution date of the contract or contract work; (2) three years of tail coverage beyond the completion date of the contract; and (3) provide a copy of the claims reporting requirements to the entity for review. If coverage is canceled or non-renewed, and not replaced with another claims-made policy with the aforementioned retroactive date, the Contractor must purchase extended reporting period coverage for a minimum of three years after completion of contract work.

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 five 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. Reserve

- 8. MiDEAL Administrative Fee and Reporting.** The Contract may be 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.

Contractor must pay a MiDEAL administrative fee of 1% on all payments made to Contractor under the Contract including transactions with the MiDEAL members, State of Michigan employees 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.

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 **Error! Reference source not found.**, 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. Reserve.

18. Reserve.

19. Reserve.

- 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 **Error! Reference source not found.**, 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 30 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. Reserve.

31. 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 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 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 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 five 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 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.

32. 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 five 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 five calendar days from the date of termination to the other party.

33. 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.

34. Reserve.

35. Reserve.

- 36. **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 seven 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.

37. **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 **Error! Reference source not found.**, Termination for Cause.
38. **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.
39. **Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations.
40. **Reserve.**
41. **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.
42. **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.
43. **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.
44. **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.
45. **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.



- 46. 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.

- 47. 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.
- 48. Website Incorporation.** The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.
- 49. 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.
- 50. 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.
- 51. Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
- 52. 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.
- 53. 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**").



STATE OF MICHIGAN

Contract No.071B5500051

Performance Based Child Welfare System Actuarial Services

EXHIBIT A STATEMENT OF WORK CONTRACT ACTIVITIES

This exhibit identifies the anticipated requirements of the Contract. The term "Contractor" in this document refers to Public Consulting Company.

Project Request

This is a Contract for Actuarial Services for the Michigan Department of Human Services (DHS) to develop and recommend fair and appropriate case rates, for efficient and effectively operated contracted child welfare services. The Contractor must provide actuarial analysis, data analysis and technical assistance for the case rate development of a performance based contracting strategy which includes administrative and services dollars for a targeted population of both public and private child welfare providers, with a focus on helping with integration of rate-setting, financial reporting and information planning. The Contractor must assist DHS with the development of a case rate trend factor. Such trend rate factor must include an estimate of increased costs as they may relate to child welfare services.

Background

Sec. 503. (1) In accordance with the final report of the Michigan child welfare performance-based funding task force issued in response to section 503 of article X of 2013 PA 59, the department shall issue a request for proposal not later than October 1, 2014 for an independent actuary designated as a fellow of the society of actuaries to recommend actuarially sound case rates for necessary out-of-home child welfare services that achieve permanency by the department and private child placing agencies in a prospective payment system under a performance-based funding model. (2) A prospective rate payment system for private agencies that includes funding for adoption incentive payments is the recommended funding model. The full cost prospective rate payment system will identify and cover contractual costs, paid through the case rate developed by an actuary.

The private network is comprised of more than 125 foster care placement agencies and child caring institutions. All providers are paid a fixed rate, while child caring institutions' rates vary depending on the provider and the particular program. The private network is responsible for all adoption services in the child welfare system and oversees about 45% of the children in foster care.

Requirements

1. Work and Deliverable

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

1. The Contractor is to provide the services of an actuary which must include, but not necessarily be limited to, those services and staff responsible for using formulas and statistics to determine the probability of foster care related events and the costs of those events. These services shall require the utilization of knowledge of mathematics, probability, statistics, and principles of finance and business, particularly as they relate to children in foster care.
2. The Contractor is to provide the services of support staff, which must include, but not necessarily be limited to, those services and staff responsible for all secretarial and clerical responsibilities and other support personnel necessary to ensure adequate coverage of the functional requirements set forth in the Contract.
3. The Contractor must conduct a review of the data submitted by the providers in order to recommend actuarially sound rates.



4. The Contractor must be familiar with at least one other state's policies regarding performance based contracting strategies, risk sharing and other payor systems.
5. The Contractor must assist DHS on issues regarding funding mechanisms for service delivery systems including, but not limited to, performance based contracting strategies, third party payers, and insurers.
6. The Contractor must recommend to the DHS Program Manager at a mutually agreed upon date future changes for provider reimbursement, and suggest strategies that may promote cost efficient and quality conscious practice by the provider network.
7. The Contractor will not have the final decision-making authority regarding the amount of reimbursement to providers.
8. The Contractor must provide, but not limited to, the following:
 - a. Principles of case rate reimbursement including rate development, data book development and defense of rates developed
 - b. Gathering and evaluating the data sources appropriate to the population
 - c. Development of a data book summarizing the data sources and explaining the rate-setting methodology
 - d. Presenting the data summaries or actual rates and the methodology used to potential contractors
 - e. Development of case rates
 - f. Development of a risk corridor

Case Rate

9. Contractor must provide rate setting methodology and process.
10. The Contractor must involve stakeholders and incorporate public and private provider data.
11. The Contractor must recommend fair and appropriate case rates for efficient and effectively operated contracted child welfare services. This recommendation must be provided to the DHS Program Manager within 90 days of Contract effective date or at a date agreed upon with the DHS Program Manager. The case rate must be structured to include elements identified under the Process of Care (Attachment A) that include the cost of full case management under the MITEAM practice model (Attachment B), market variation including difference based on geography, early comprehensive clinical assessments, caseload and service mix, and incentives/penalties based on performance outcomes. Case rate is to include the full costs associated with the following elements:
 - a. Comprehensive assessments (scaled and a range)
 - b. Services to the family including those services associated with full family responsibility
 - c. Full range of services from placement through post-reunification services, including adoption incentive payments
 - d. Accommodating specialty services into the network (especially in rural areas)
 - e. Incentives associated with strong performance (built into case rate)
 - f. Administrative/overhead costs included, as well as costs for direct care
 - g. Local economic indicators
 - h. Factors specific to rural service delivery such as travel time, caseload size and transportation costs
12. The Contractor may use the Centre for Child and Family Research (CCFR) cost calculator as means for building up to full costs of services per child.
13. The Contractor must recommend a rate for supporting costs associated with high need cases.
14. The Contractor must use well-developed unit costs to identify specific levels of care, and to allow for rate flexibility as services change and cost data becomes more sophisticated. Child level of need would be based on comprehensive assessment at intake, with reassessment of level of need as appropriate.
15. The elements included in the case rate must be reviewed and adjusted as necessary.



16. Based on the elements of the actuarially sound case rate, develop a cost-based per diem rate to be implemented for contracted providers in the current placement agency foster care and child care institution (residential) structure and for state supervised cases. This cost-based per diem rate must be developed within 90 days of Contract effective date or at a date agreed upon with the DHS Program Manager.

Caseload Distribution

17. The Contractor must develop an approach for establishing the volume of cases necessary to assure adequate and equitable caseloads, as well as a method of equitably distributing cases to fairly manage risk. This approach must be developed within 90 days of Contract effective date or at a date agreed upon with the DHS Program Manager.

Funding & Budgeting

18. The Contractor must develop multiyear rate estimates to use for future budgets to predict rate adjustments for caseload changes, economic fluctuations, market changes, etc. These estimates must be developed at a date agreed upon with the DHS Program Manager, and would be subsequently updated on a periodic basis for use in budgeting and forecasting costs.
19. The Contractor must forecast future DHS child welfare expenditures, in conformance with timelines dictated by State of Michigan budget structures.
20. The Contractor must build, maintain and conduct analysis using a database specific to Michigan to support both case rate-setting and budget forecasting within 90 days of Contract effective date or at a date agreed upon with the DHS Program Manager.
21. The Contractor must identify and develop trend factors used to calculate budget projections within 90 days of Contract effective date or at a date agreed upon with the DHS Program Manager. Such trend factors must include an estimate of increased costs.

General

22. The Contractor must identify the amount of start-up time and cost needed to perform functions and carry out responsibilities and obligations of this project. Any additional cost are in Exhibit C – Pricing.
23. The Contractor must provide qualified staff and systems to receive the requisite data, both current and historical, and to accurately perform actuarial tasks immediately upon the start date of the Contract or as close thereto as possible.
24. The Contractor must perform the following activities:
 - A. Attest to the actuarial soundness of the case rates including the methodologies and processes employed in their development.
 - B. Ensure that rates are re-assessed on a regular basis to account for changes in local economies and other factors as determined by the DHS Program Manager.
 - C. Provide sound, expert actuarial advice and services on a wide range of other issues and projects.
 - D. Provide actuarial consulting services ranging from expert advice to full-scale development of new reimbursement methods through operational implementation.
 - E. Provide expert actuarial consulting services, in the form of advice and project work, as needed by DHS on an ad hoc basis to address issues such as child welfare reform proposals, financial risk assessments, and methods to maximize funding.
 - F. Demonstrate ability to provide same day turnaround on urgent, contained issues.
 - G. Defend and present their actuarial findings in public if needed. These presentations may be made to the Legislature, Governor, private providers and public interest groups.



- H. Maintain or demonstrate access to actuarial resources, be they proprietary or available from some other source, which can be used to address rates of service utilization by provider category, cost per unit of service and other relevant statistical measures required for the development of actuarially sound rates.
 - I. Allow lead consultant and other appropriate staff to be on-site as agreed upon with the DHS Program Manager.
 - J. Enter into a data sharing agreement detailing acceptable use and dissemination of information.
25. The Contractor must provide training to designated DHS staff and providers on the actuarial and consulting services and how to understand the new payment structure.
26. Provide technical assistance to walk the providers through the new process to explain the programmatic changes and their impact.
27. The Contractor must provide expert testimony in defending rate setting and covered service challenges relevant to the contractor's services. In the event expert testimony related to the Contractor's services is required following the expiration/termination of the Contract, the Contractor must provide such services at the prices stated in the Contract. The Contractor must agree and understand that there is no established limitation on the required timeframe for expert testimony services.

2. Staffing

- 1. The Contractor must provide staff and expert consultants as necessary to meet all requirements as identified in the "Work and Deliverables" section 1 of this statement of work, Exhibit A.
- 2. Hours of Operation. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines. No overtime will be authorized or paid.

Management Oversight. The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project. The State does not compensate Contractors for holiday pay.

- 3. The Contractor's team of Key Personnel must demonstrate expertise in child welfare issues, performance based contracting process, and methods of measuring effectiveness.
- 4. The State reserves the right to approve the Contractor's assignment of Key Personnel to this project and to recommend reassignment of personnel deemed unsatisfactory by the State.
- 5. For the purposes of this Contract the State requests a single point of contact. All projects are to flow through Contractor's FULLY QUALIFIED ACTUARY.
- 6. The principle actuary contact must be a full Fellow of Society of Actuaries (FSA)
- 7. The Contractor's team of Key Personnel must include a full Fellow of the Society of Actuaries (FSA) and DHS must have direct access to this FSA.
- 8. The below staffing table represents identified staff (full or part-time) that will be involved in completing the work of this Contract.

Name	Key Personnel Yes / No	Title	Role & Responsibilities	Percentage of time to this project	Contractor or Subcontractor	Work Location
Heather Baker	Yes	Engagement Manager	Engagement Manager- responsible for overall success of project	1%	Contractor	Boston, MA
Jennifer MacBlane	Yes	Project Manager	Project Manager-	8%	Contractor	Boston, MA

			responsible for day to day activities and deliverables of project			
Jackie Lee	Yes	Lead Actuary	Lead actuary responsible for all approval and review of actuarial tasks	8%	Sub-Contractor	Dallas, TX
Maureen Stanton	No	Project Team	Responsible for completing project tasks related to rate setting	14%	Contractor	Dearborn, MI
Travis Robinson	No	Project Team	Responsible for completing project tasks related to rate setting	14%	Contractor	Indianapolis, IN
Sophie Symonds	No	Project Team	Responsible for completing project tasks related to rate setting	20%	Contractor	Chicago, IL
Brian Stentz	No	Project Team; Associate Actuary	Responsible for completing actuarial tasks	21%	Sub-Contractor	Dallas, TX
Johnathan O'Dell	No	Project Team; Associate Actuary	Responsible for completing actuarial tasks	14%	Sub-Contractor	Dallas, TX

9. Reserved.



10. Below is the Contractor's organizational chart for this Contract.



11. Reserved.

12. Disclosure of Subcontractor

Lewis & Ellis, Inc.
700 Center Expressway South Suite 550, Allen, TX 75013
(972) 850-0850

Description of Organization

L&E is a national actuarial firm with four office locations and clients from all regions of the United States. Our offices are located in Dallas, Kansas City, Baltimore, and London. The Dallas office of L&E will work on this Contract.

The Dallas office of L&E has vast experience in the healthcare arena, including rate development, forecasting, health reform, and rate review. Staff of 13 dedicated health actuaries is currently assisting multiple insurance departments with various tasks, such as rate calculations, examinations, forecasting, and rate review.

Ms. Jackie Lee will be the Lead Actuary for the PCG-L&E team. Brian Stentz will be the Associate Actuary for the L&E team. He will provide back up for Ms. Lee, when necessary.

13. 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 positions, 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 as 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.



14. 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.
 15. 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"):
- (i) For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the credit amount will be \$5,000.00 per individual if Contractor identifies a replacement approved by the State and assigns the replacement to shadow the Key Personnel who is leaving for a period of at least 30 calendar days before the Key Personnel's removal.
 - (ii) If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 calendar days, in addition to the \$5,000.00 credit specified above, Contractor will credit the State \$833.33 per calendar day for each day of the 30 calendar-day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$5,000.00 maximum per individual. The total Unauthorized Removal Credits that may be assessed per Unauthorized Removal and failure to provide 30 calendar days of shadowing will not exceed \$10,000.00 per individual.
 - (iii) 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.

3. Project Plan Management

1. The Contractor will carry out this project under the direction and control of the DHS Program Manager, the DHS Children's Services Administration and the Child Welfare Partnership Council (CWPC).
2. The Contractor must agree to cooperate with the State, its agents, other contractors, and stakeholders. This includes project managers, third party evaluator, private agencies, county government, the legislature, and other stakeholders. As reasonably requested by the State, the Contractor must provide to DHS and other stakeholders reasonable access to Contractor's project personnel, to the extent the access relates to activities specifically associated with the performance based contracting model implementation. DHS acknowledges that Contractor's time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impede Contractor's performance under this Contract with the requests for access.
3. Although there will be continuous liaison with the Contractor team, the DHS Program Manager will meet as needed with the Contractor's Project Manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems which arise.
4. The Contractor must meet with DHS staff via teleconference to review the program's status on an as needed basis, and agrees that no additional fees or expenses shall be paid to the contractor for such meetings.
5. The Contractor must submit brief written summaries of progress as requested which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated, which should be brought to the attention of the Program Manager; and notification of any significant deviation from previously agreed-upon work plans.



6. Within 10 working days of Contract effective date, the Contractor must submit to the DHS Program Manager for final approval a work plan. This final implementation plan must be in agreement by the Contractor and accepted by the State for Contract, and must include the following:
 - a. The Contractor's project organizational structure.
 - b. The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. All work must flow through the lead FULLY QUALIFIED ACTUARY. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
 - c. The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.
 - d. Develop a project plan particular to child welfare case rate setting, which includes actuarial attestation and federal approval against standards.
7. The Contractor must manage and resolve issues in a timely manner.

4. Reports

1. During the performance of the work, the Contractor must provide brief, written, biweekly status reports to the DHS Program Manager of progress made on the steps identified in the final project plan. All reports will be supplied to DHS in electronic format, unless otherwise specified by the DHS Program Manager. Reports must outline the work accomplished during the reporting period, work to be accomplished during the subsequent reporting period, problems, real or anticipated, which should be brought to the attention of the DHS Program Manager, and notification of any significant deviation from previously agreed upon work plans. Frequency, turnaround time and submission date must be reasonable based on the amount of work involved, and will depend on needs of DHS specific to each project, subject to when source data are provided to the Contractor by DHS.
2. As part of the overall proposed project plan, the Contractor is asked to recommend a standard and comprehensive reporting format to be used for the management and oversight of the requested project and to provide a brief sample of reports that they are able to provide.

5. Ordering

The appropriate authorizing document for the Contract will be a purchase order.

6. Acceptance

- A. The following criteria will be used by the state to determine Acceptance of the Services or Deliverables provided under this SOW:

The DHS Program Manager will be responsible for verifying that the work:

1. Was performed in the time period referenced;
2. Met the work or deliverable criteria; and
3. Was performed according to Contract specifications.

- B. DHS's approval process of work and deliverables requires formal written approval, according to the following procedures:

1. Formal approval by DHS requires the DHS Program Manager to confirm in writing that the work and deliverables meet its specifications and requirements. The approval process will be facilitated by ongoing consultation between the parties, inspection of interim and intermediate work and deliverables and collaboration on key decisions.
2. The DHS Program Manager will approve in writing work and deliverables after confirming that it conforms to and performs according to its specifications without material deficiency. DHS may, but is not required to, conditionally approve in writing work and deliverables that contain material deficiencies if DHS elects to permit the Contractor to rectify them post-approval. In any case, the Contractor will be responsible for working diligently to correct within a reasonable time at the Contractor's expense all deficiencies in the work and deliverables that remain outstanding at the time of DHS approval.
3. Upon work and deliverable approval, the DHS Project Manager will forward the approved invoice for additional review and payment according to the DHS approval path.



C. Final Acceptance

Final Acceptance is when the project is completed and functions according to the requirements. Any intermediate acceptance of sub-Deliverables does not complete the requirement of Final Acceptance. DHS and the Contractor shall sign a statement at the time of final acceptance stating that both parties agree that the project has been completed, and that final payment has been made.

7. Pricing

Prices quoted are firm for the entire length of the Contract (see Exhibit C, Pricing).

8. Invoice Requirements

All invoices submitted to the State must include: (a) date; (b) purchase order #; (c) description and dates of Contract Activities performed; (d) unit price; and (e) total cost. All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the DHS Program Manager and the Contractor.

9. Payment Method

The specific payment schedule for any Contract(s) entered into must be mutually agreed upon between the DHS Program Manager and the Contractor. As a general policy, statements must be forwarded to the DHS Program Manager by the 15th day of the following month.

10. 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 \$10,000 and an additional \$1,000 per day for each day Contractor fails to remedy the late or improper completion of the work Exhibit A, section 1 (Work and Deliverable).

Additional Terms and Conditions

1. E-Verify. The Contractor, upon award, must verify, using the U.S. Department of Homeland Security's U.S. Citizenship and Immigration Services E-Verify system, that all new employees, and new hire employees of subcontractors, are legally present in the United States.

STATE OF MICHIGAN

Contract No.071B5500051
Performance Based Child Welfare System Actuarial Services

EXHIBIT B - RESERVED



STATE OF MICHIGAN

Contract No. 071B5500051

Performance Based Child Welfare System Actuarial Services

EXHIBIT C - PRICING

- Prices quoted in this list are fixed for the duration of the Contract.
- Travel. 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 the Contractor for the expense at the state's current travel reimbursement rates. See www.michigan.gov/dtmb for current rates.

1. Analyses (Fixed-Fee Deliverables)				
Deliverable	Price		Years	Subtotal
Case Rates for Child Welfare Services	\$47,227.35	x	5	\$236,136.75
Rate for Supporting Costs Associated with High Need Cases	\$45,414.75	x	5	\$227,073.75
Cost-Based Per Diem Rate	\$28,107.65	x	5	\$140,538.25
Approach for Establishing the Volume of Cases Necessary to Assure Adequate and Equitable Caseload	\$33,304.15	x	5	\$166,520.75
Multiyear Rate Estimates	\$37,128.85	x	5	\$185,644.25
Forecast Future DHS Child Welfare Expenditures	\$35,860.60	x	5	\$179,303.00
Trend Factors Used to Calculate Budget Projections	\$35,899.55	x	5	\$179,497.75
			Analyses Services Subtotal	\$1,314,714.50
2. Consulting Services (Variable-Fee Deliverables) (1)				
Staff Role	Staff Member		Hourly Rate	Hours
Engagement Manager	Heather Baker		285	TBD
Project Manager	Jennifer MacBlane		255	TBD
Project Team	Maureen		210	TBD

	Stanton			
Project Team	Travis Robinson		210	TBD
Project Team	Sophie Symonds		165	TBD
Lead Actuary	Jackie Lee		300	TBD
Project Team; Associate Actuary	Brian Stentz		200	TBD
Project Team; Associate Actuary	Johnathan O'Dell		150	TBD
(1) Consulting Services for Ad Hoc Requests (To Be Approved via Purchase Order Issuance).				

Specify any additional cost (if necessary) Cost must be broken out separately.	
Start-up Costs	\$21,100.00

Name	Key Personnel Yes / No	Title
Heather Baker	Yes	Engagement Manager
Jennifer MacBlane	Yes	Project Manager
Jackie Lee	Yes	Lead Actuary
Maureen Stanton	No	Project Team
Travis Robinson	No	Project Team
Sophie Symonds	No	Project Team
Brian Stentz	No	Project Team; Associate Actuary
Johnathan O'Dell	No	Project Team; Associate Actuary



STATE OF MICHIGAN

Contract No.071B5500051

Performance Based Child Welfare System Actuarial Services

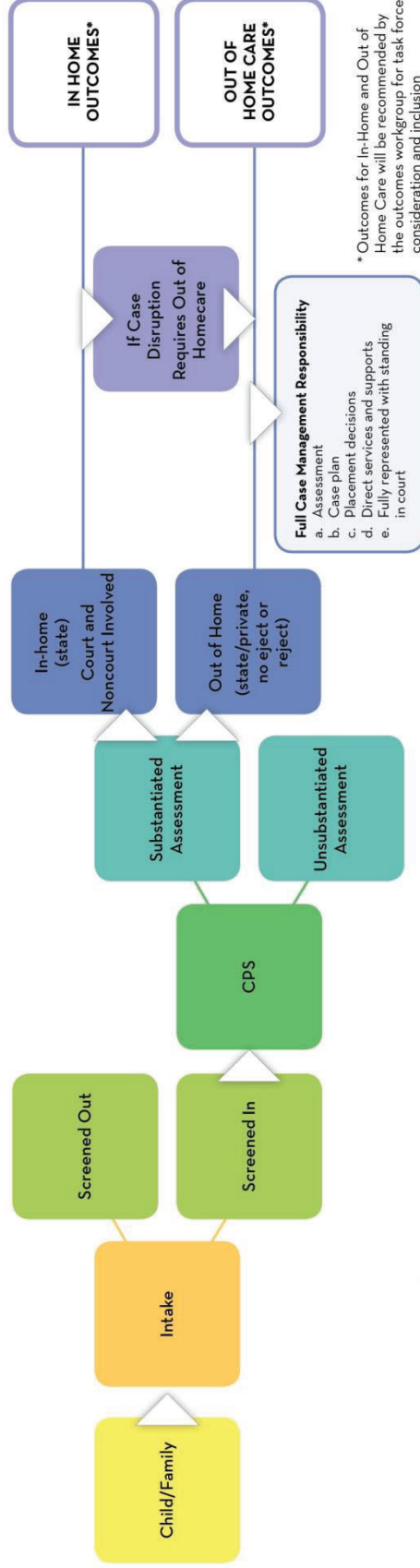
ATTACHMENT A – PROCESS Of CARE

State of Michigan Performance Funding Task Force

Re-envisioned Process of Care for Child Welfare and Dual (CW/JJ) Populations

Guiding Principles

Safety is the first priority of the child welfare system.	Families; therefore, we will ensure children remain in their own homes whenever safely possible.	Permanency connections with siblings and caring and supportive adults will be preserved and encouraged.	actively engaged to protect children and support families.	to promote success and retention.
Families, children, youth, and caregivers will be treated with dignity and respect while having a voice in decisions that affect them.	When placement away from the family is necessary, children will be placed in the most family-like setting and be placed with siblings whenever possible.	Children will be reunited with their families and siblings as soon as safely possible.	Services will be tailored to families and children to meet their unique needs.	Leadership will be demonstrated within all levels of the child welfare system.
The ideal place for children is with their		Community stakeholders and tribes will be	Child welfare professionals will be supported through ongoing development and mentoring	Decision making will be outcome-based, research-driven and continuously evaluated for improvement.



Five Core Components of a Balanced and Equitable System

1 Purchase of Service (POS) transitions to performance evaluation, contract management, and Continuous Quality of Improvement (CQI) <ol style="list-style-type: none"> 1. Public and private performance 2. Macro 3. CQI structure and responsibility 4. Fiscal 5. Performance/data - public reporting 6. Case review - key stakeholder input 7. Interface with licensing (BCAL - child & adult licensing) 8. MSA compliance & reporting 9. Risk management 10. Aligned with expanded State CQI 	2 Balanced and Equitable Prospective Payment System <ol style="list-style-type: none"> 1. Caseload ratios 2. Mid-point market - case managers and supervisors 3. Market basket indicators 4. Distribution of cases 5. Cross-walk state standard costs to payment system (infrastructure) 6. Variable costs that influence scale, e.g. geography 7. Issue - frequency of rebasing 8. Risk sharing 9. MiTeam practice model 10. Comprehensive clinical assessment 11. Full case management 12. MISACWIS 13. Diagnostic needs of children 14. Incorporation of Adaption Incentive Funds 15. Cost of out of home care 	3 Balanced and Equitable Accountability Public/Private and Courts <ol style="list-style-type: none"> 1. Macro - transparency of performance 2. Child case accountability 3. Quality standards - consistency 4. Progressive corrective action 5. Equitable sanctioning for non-performance 	4 Fully Maximize Federal Revenue <ol style="list-style-type: none"> 1. With emphasis on Medicaid 	5 Outcomes Public/Private and Courts <ol style="list-style-type: none"> 1. Safety 2. Time to permanency 3. Number of placements 4. Well-being indicators Key Performance Indicators (KPI) <ol style="list-style-type: none"> 1. Process of care measures 2. Quality of care measures 3. Capacity measures
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ATTACHMENT B – MiTEAM PRACTICE MODEL