



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 2
to
Contract Number 071B5500085

CONTRACTOR	NATIONAL COUNCIL ON CRIME & DELINQUENCY
	1970 Broadway, Ste. 500
	Oakland, CA 94612
	Kristen Johnson
	800-306-6223
	kjohnson@nccdglobal.org
	*****4111

STATE	Program Manager	Amanda Doane	DHHS
		517-335-6869	
		doanea@michigan.gov	
STATE	Contract Administrator	Jillian Yeates	DTMB
		(517) 284-7019	
		yeatesj@michigan.gov	

CONTRACT SUMMARY				
DESCRIPTION: Caseload Ratio Work Study for Foster Care				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
March 11, 2015	September 30, 2015	2 - 1 Year	September 30, 2016	
PAYMENT TERMS		DELIVERY TIMEFRAME		
Net 45		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				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 Year	<input type="checkbox"/>		September 30, 2017
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$ 362,955.00		\$ 0.00	\$ 362,955.00	

DESCRIPTION: Effective June 10, 2016, the State is exercising the final option year. The revised contract expiration date is September 30, 2017. All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Procurement approval.

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

CHANGE NOTICE NO. 1
 to
CONTRACT NO. 071B5500085
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
National Council On Crime & Delinquency 1970 Broadway, Ste. 500 Oakland, CA 94612	Kristen Johnson	kjohnson@nccdglobal.org
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	800-306-6223	4111

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DHHS	Amanda Doane	517-335-6869	doanea@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Jillian Yeates	(517) 284-7019	yeatesj@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Caseload Ratio Work Study for Foster Care			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
March 11, 2015	September 30, 2015	2 - 1 Year	September 30, 2015
PAYMENT TERMS		DELIVERY TIMEFRAME	
NET 45		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				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 Year	<input type="checkbox"/>		September 30, 2016
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$ 197,955.00		\$ 165,000.00	\$ 362,955.00	

DESCRIPTION:
 Effective September 30, 2015, this Contract is exercising the first option year and is increased by \$165,000.00. The revised contract expiration date is September 30, 2016. Please note that the Contract Administrator has been changed to Jillian Yeates. All other terms, conditions, specifications, and pricing remain the same. Per vendor and agency agreement, DTMB Procurement approval, and State Administrative Board approval on September 30, 2015.

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. 071B5500085**
 Between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
National Council on Crime and Delinquency 1970 Broadway, Ste. 500 Oakland, CA 94612	Kristen Johnson	kjohnson@nccdglobal.org
	PHONE	VENDOR FEIN # (LAST FOUR DIGITS ONLY)
	(800) 306-6223	4111

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DHS	Amanda Doane	(517) 335-6869	doanea@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Chelsea Edgett	(517) 284-7031	edgett@c@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Caseload Ratio Work Study for Foster Care			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
6 Months, 19 Days	March 11, 2015	September 30, 2015	Two additional One Year periods
PAYMENT TERMS	F.O.B.	SHIPPED TO	
NET45	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			
MISCELLANEOUS INFORMATION: N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:		\$197,955.00	

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. 071B5500085

Between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
National Council on Crime and Delinquency 1970 Broadway, Ste. 500 Oakland, CA 94612	Kristen Johnson	kjohnson@nccdglob.org
	PHONE	VENDOR FEIN # (LAST FOUR DIGITS ONLY)
	(800) 306-6223	4111

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DHS	Amanda Doane	(517) 335-6869	doanea@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Chelsea Edgett	(517) 284-7031	edgettc@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Caseload Ratio Work Study for Foster Care			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
6 Months, 19 Days	March 11, 2015	September 30, 2015	Two additional One Year periods
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NET45	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			
MISCELLANEOUS INFORMATION: N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:		\$197,955.00	

Orders for delivery will be issued directly by the Department of Technology, Management & Budget through the issuance of a Purchase Order Form.

For the Contractor:

Katherine H. Park
National Council on Crime and Delinquency
(800) 306-6223
dpaulus@nccdglobal.org

Date

For the State:

Sharon Walenga-Maynard
DTMB Sourcing Director
State of Michigan

Date



STATE OF MICHIGAN

Contract No.071B5500085
Caseload Ratio Work Study for Foster Care

EXHIBIT A STATEMENT OF WORK CONTRACT ACTIVITIES

Project Request

This is an RFP for a Caseload Ratio Work Study. The Department of Human Services (DHS) Foster Care Program Office is seeking to determine an acceptable caseload ratio maximum for foster care case workers. The result of this work study must be a realistic child to case worker ratio accounting for all policies and procedures that a caseworker must follow on a monthly basis, and utilization of the electronic case management system (MiSACWIS).

Background

Michigan utilizes both public and private agency staff to provide quality foster care case services. An increasing workload burden is one of the most critical problems facing foster care workers at this time. With the increase in performance requirements, it is imperative to understand the best staffing ratio to meet the needs of the families we serve.

The caseload study should take into consideration quantifiable and non-quantifiable factors. Among other areas explored should include practice requirements, age of the child, stages of a case, case size, populations served, case complexity, geographic locations, and case worker experience.

The caseload ratio work study should take into account that both public and private staff perform the duties, and that all staff will have vacation, sick, holiday, court, training and other various time where they will not be performing case duties.

1. Requirements

1.1 Scope of Work

The scope of work is to utilize a case-based research methodology that estimates the amount of staff time required to provide foster care case services ensuring all required policies and procedures are met. For example, the study should estimate the staff time required to serve a child in foster care for one month.

The workload study has two primary purposes:

1. Estimation of staff time needed to provide required case services to children and families. This involves quantifying the staff time required to provide ongoing casework services to children and families considering other non-quantifiable factors.
2. Analysis of case services, including the amount of time required for court, travel, accessing and using MiSACWIS, and paperwork.

In addition to determining time required for critical agency tasks, the study must also estimate the time that caseworkers have available to perform the tasks. All staff is allocated a certain amount of time for holidays, vacation and sick time. There are also non-casework tasks and assignments that occur, such as training, travel, and waiting at court. These must all be taken into consideration when determining how much time it takes a caseworker to accomplish all required case work duties each month.

Contractor's Workload Study Methodology

1. Foster care caseworkers (including public and private agency staff and Department of Human Services [DHS] monitors) will record the time they spend on a random sample of cases during a one-month period on paper forms. From this, an average time requirement to provide quality foster care services, called the "workload value," is determined. Workload values for service cases consist of monthly averages for each case type that met agency standards.
2. Workload values are multiplied by the total number of service case types in order to determine the *total* staff time needed in foster care services, or "workload demand."



3. Foster care caseworkers will also record time spent on any activity that detracts from time available for work directly related to their caseload (e.g., administrative tasks, trainings, travel time, sick leave, vacation, etc.) during a one-month period. This monthly time estimate is subtracted from the total amount of work hours available each month to determine the amount of time workers realistically have available to accomplish their work, or “time available.”
4. Lastly, the workload demand (step 2) is divided by the time available (step 3) in order to determine the number of staff needed.

Contractor must ensure the accuracy of data recorded by workers by 1) imparting the purpose of the study and importance of accurate data collection through in-person trainings; 2) supporting them during the study; 3) having supervisors review time recording forms to ensure accurate entry; and 4) performing data quality checks during analyses, such as looking at outlier values.

1.2 Work and Deliverable

1. The Contractor shall estimate how much time it takes a case worker to perform tasks in a manner that meets federal and state performance standards.
2. The Contractor shall quantify how much time is needed to perform tasks outlined in DHS policies and practice and recommend appropriate case weights.
3. The Contractor shall break down average percent of caseworker time spent completing specific work functions (i.e. 20% in visitation, 35% data entry, 10% training etc.).
4. The Contractor must review the Michigan Department of Human Services policies, procedures, electronic system requirements and performance standards for caseworkers. Much of this documentation can be performed on site or electronically.
5. The Contractor must review case files to determine the actual work load.
6. The Contractor must perform site visits to conduct interviews and/or focus groups with case workers.
7. The Contractor must conduct interviews with DHS budget and allocation staff, as appropriate.
8. The Contractor must observe activities performed by caseworkers, as needed.
9. The Contractor must recommend a workload accounting system that will enable DHS to measure workload accurately and identify appropriate case weighting.
10. The Contractor shall include detailed calculations (including any/all presumptions/assumptions) that are used to derive the final recommendation.
11. The Contractor shall recommend workload efficiencies, as identified.

2. Acceptance

The State will use the following criteria to determine acceptance of the Contract Activities:

2.1 Final Acceptance

The Final Report is due September 1, 2015 to DHS in a format agreed upon with the Program Manager.

3. Staffing

3.1 Contractor Representative



a. The Contractor appoints the following Contractor Representative specifically assigned to State of Michigan accounts, that will respond to State inquiries regarding the Contract Activities, answering questions related to ordering and delivery, etc. (the “Contractor Representative”).

Deb Paulus; DPaulus@nccdglobal.org (NCCD Contracts and Administrative Manager)

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

3.2 Customer Service Toll-Free Number

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

(800) 306-6223

3.3 Technical Support, Repairs and Maintenance

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

When providing technical support, the Call Center must resolve the caller’s issue within **[60]** minutes. If the caller’s issue cannot be resolved within **[8]** hours, on-site service must be scheduled. The on-site service must be performed within **[36]** hours of the time the issue was scheduled for service.

(800) 306-6223

3.4 Work Hours

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

3.5 Key Personnel

The Contractor must appoint one (1) Key Personnel individual who will be directly responsible for the day-to-day operations of the Contract (“Key Personnel”). Key Personnel must be specifically assigned to the State account, be knowledgeable on the contractual requirements, and respond to State inquires within 48 hours.

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.

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.

Contractor acknowledges and agrees that each of the Unauthorized Removal Credits assessed above: (i) is a reasonable estimate of and compensation for the anticipated or actual harm to the State that may arise from the Unauthorized Removal, which would be



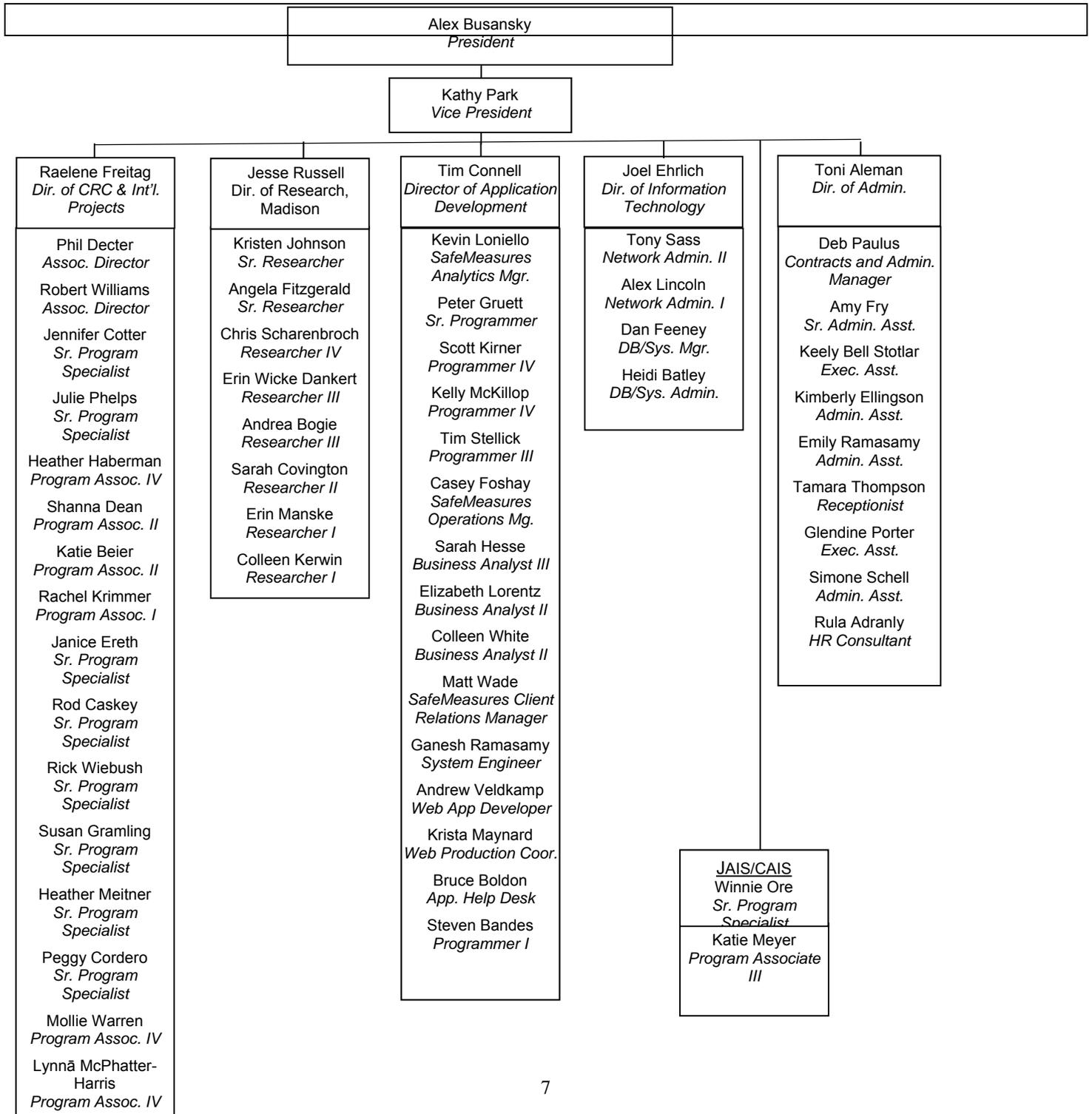
impossible or very difficult to accurately estimate; and (ii) may, at the State's option, be credited or set off against any fees or other charges payable to Contractor under this Contract.

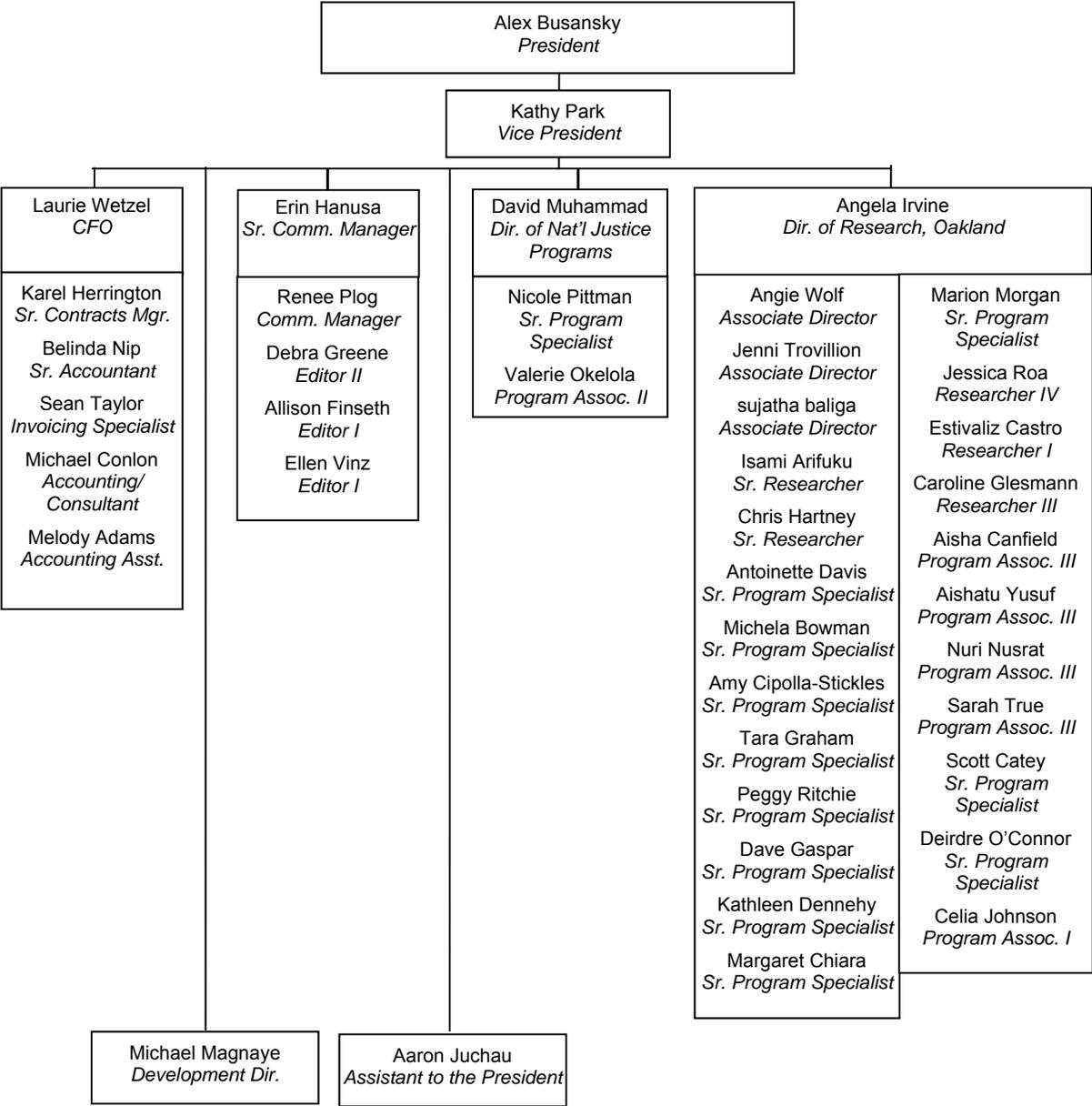
The Contractor's Key Personnel is listed below..

- Principal investigator Dr. Kristen Johnson, PhD, located in Madison, Wisconsin
- Project Manager Rod Caskey, located in Lansing, Michigan
- Senior Analyst Sarah Covington, MPH, located in Madison, Wisconsin

3.6 Organizational Chart

The Contractor's overall organizational chart that details staff members, by name and title, and subcontractors is listed below.







3.7 Disclosure of Subcontractors

If the Contractor intends to utilize subcontractors, the Contractor must disclose the following: The legal business name; address; telephone number; a description of subcontractor’s organization and the services it will provide; and information concerning subcontractor’s ability to provide the Contract Activities.

The relationship of the subcontractor to the Contractor.

Whether the Contractor has a previous working experience with the subcontractor. If yes, provide the details of that previous relationship.

A complete description of the Contract Activities that will be performed or provided by the subcontractor. Of the total bid, the price of the subcontractor’s work.

NCCD will subcontract with the University of Wisconsin Survey Center (UWSC) for data processing and entry. UWSC’s address is 475 North Charter Street, Madison, WI, 53706, and the phone number is (608) 262-9032. UWSC provides a broad range of research services for local, state, and federal projects, including data entry and layout, questionnaire development and administration, and coding. Regarding the Contract Activities, UWSC will be involved in entering data from the workload study collection forms into an electronic database. UWSC will meet and consult with NCCD regarding data specifications, such as handling of missing and out-of-range answers and other peculiarities of respondent behavior. UWSC will provide a cleaned dataset for NCCD to conduct analyses, as well as a codebook and documentation.

3.8 Security

The bidder’s staff may be required to make deliveries to or enter State facilities. The bidder must: (a) explain how it intends to ensure the security of State facilities, (b) whether it uses uniforms and ID badges, etc., (c) identify the company that will perform background checks, and (d) the scope of the background checks. The State may require the Contractor’s personnel to wear State issued identification badges.

4. Project Management

4.1 Project Plan

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

Table 3 Work Plan				
Task/Activity	Staff Responsible	Dates	Resources Required	Required Contact Personnel
Contract Start	NCCD/ DHS Staff	3/11/15	-	
Workload Study Design (3/12/15–4/3/15)				



Table 3 Work Plan				
Task/Activity	Staff Responsible	Dates	Resources Required	Required Contact Personnel
Project kickoff meeting: Identify local coordinator; discuss work plan; identify next steps and policy and procedures materials for review	NCCD/ DHS Staff	3/12/15- 3/13/15	Phone meeting	DHS program manager; principal investigator, project manager, analysts (NCCD)
Request caseload data extract from DHS	NCCD/ DHS Staff	3/12/15- 3/13/15	Phone meeting; email correspondence	DHS program manager; principal investigator, project manager, analysts (NCCD)
Submit project plan for DHS review and feedback	NCCD	3/13/15	Electronically	Principal investigator, project manager, analysts (NCCD)
Obtain and analyze data extracts: number of workers by region; monthly caseload counts by case type (if applicable)	DHS Staff	3/16/15- 3/20/15	Electronic exchange via email	DHS program manager; analysts (NCCD)
Review policy and procedures materials; draft standards for review at first onsite meeting	NCCD	3/13/15- 3/18/15		Principal investigator, project manager, analysts (NCCD)
Initial onsite orientation and design meeting with committee: discuss practices, standards, and form development	NCCD/ DHS and Private Agency Staff	3/18/15- 3/20/15	DHS meeting space	DHS program manager; project manager, analysts (NCCD)
Approve project plan	DHS Staff	3/27/15	--	DHS program manager
Develop sampling plan: Estimate N size for each case type and worker type; identify sampling parameters	NCCD	3/20/15- 4/31/15	--	Principal investigator, analysts (NCCD)
Draft workload data collection forms/methods	NCCD	3/23/15- 3/25/15	--	Analysts (NCCD)
Second onsite design meeting with committee: discuss sample plan and revise forms and methods; finalize materials for pretesting	NCCD/ DHS and Private Agency Staff	3/25/15- 3/27/15	DHS meeting space	DHS program manager; project manager, analysts (NCCD)
Update workload data collection forms/methods and sampling plan, if needed	NCCD	3/27/15- 4/1/15	--	Analysts (NCCD)
Pretest workload data collection form/method	NCCD/ DHS Staff Workload Participants and Supervisors	3/30/15- 4/1/15	--	DHS program manager; analysts (NCCD)



Table 3 Work Plan				
Task/Activity	Staff Responsible	Dates	Resources Required	Required Contact Personnel
Phone interview/meeting with DHS budget and allocation staff to discuss current staff allocation methods	NCCD/ DHS Staff	3/25/15- 3/27/15	Phone meeting	DHS program manager; project manager, analysts (NCCD)
Review of existing workload tracking program, if applicable	NCCD	3/25/15- 3/27/15	--	Project manager, analysts (NCCD)
Develop workload study manual	NCCD/ DHS Staff	3/20/15- 4/3/15	--	Analysts (NCCD)
Develop training materials	NCCD/ DHS Staff	3/20/15- 4/3/15	--	Analysts (NCCD)
Final design session with committee; sign off on study design	NCCD/ DHS and Private Agency Staff	4/1/15- 4/3/15	--	DHS program manager; project manager, analysts (NCCD)
Identify basic worker time available (excluding holidays, sick time, etc.) from DHS and private agency personnel data; identify other pressures, including new staff; vacancies; FMLA time taken	NCCD/ DHS and Private Agency Staff	4/1/15- 6/3/15	--	Analysts (NCCD)
Workload Study Training and Data Collection (4/6/15–6/1/15)				
Format and print data collection forms and training manuals (NCCD)	NCCD	4/6/15- 4/17/15	--	Analysts (NCCD)
Workers generate accurate caseload listings prior to training	NCCD	4/17/15- 4/24/15	Workers bring printouts to training	DHS program manager; analysts (NCCD)
Training for workers and supervisors	NCCD/ DHS Staff	4/20/15- 4/23/15	Training locations, manuals, AV equipment	Principal investigator, project manager, analysts (NCCD)
Data collection	Workload Participants and Supervisors	4/21/15- 5/22/15	--	DHS program manager; analysts (NCCD)
Supervisor review of data collection forms	Workload Participants and Supervisors	5/25/15- 5/29/15	--	DHS program manager; analysts (NCCD)
All forms due to NCCD for data entry	Workload Participants and Supervisors	6/3/15	Sent via FedEx (NCCD will provide billing info) or electronic submission	DHS program manager; analysts (NCCD)
Quality Assurance Investigation Activities (3/18/15–5/25/15)				



Table 3 Work Plan				
Task/Activity	Staff Responsible	Dates	Resources Required	Required Contact Personnel
Site visit: Interviews/focus groups with public and private agency caseworkers and private agency monitoring staff to identify indicators of quality practice not reflected by standards (for evaluation form development of practice observations and case file reviews)	NCCD/ DHS Staff	3/19/15- 3/20/15; day following second design	DHS meeting space; onsite locations	DHS program manager; project manager, analysts (NCCD)
Review of policy, procedures, and practice model guidelines	NCCD	3/23/15- 4/6/15	--	Principal investigator, project manager, analysts (NCCD)
Develop evaluation forms for observing practices and file reviews	NCCD	3/23/15- 4/6/15	--	Principal investigator, project manager, analysts (NCCD)
Web meetings to approve evaluation forms	NCCD	4/6/15- 5/4/15	Webinar technology	DHS program manager; project manager, analysts (NCCD)
Site visits: Observation of activities performed by caseworkers and caseworker interviews	NCCD	5/4/15- 5/25/15	Onsite	Project manager, analyst (NCCD)
Case file review	NCCD	5/4/15- 5/25/15	DHS case file review space; onsite locations	Project manager, analyst (NCCD)
Data Analysis and Report Writing (6/1/15–9/1/15)				
Data review, cleaning, and entry	NCCD; UWSC	6/3/15- 7/3/15	--	Analysts (NCCD)
Data analysis and report writing	NCCD	7/6/15- 8/14/15	--	Principal investigator, analysts (NCCD)
Preliminary report	NCCD	8/14/15	--	Project manager, analysts (NCCD)
In-person presentation of findings to DHS	NCCD	8/17/15- 8/21/15	--	Project manager, analysts (NCCD)
Review of preliminary report	DHS Staff	8/14/15- 8/26/15	--	DHS program manager
Meeting to discuss report feedback	NCCD/ DHS Staff	8/27/15- 8/28/15	Phone meeting and in person (Project Manager)	DHS program manager; principal investigator, project manager, analysts (NCCD)
Report revisions based on feedback	NCCD	8/28/15 - 9/29/15	--	Project manager, analysts (NCCD)
Final report delivered to State	NCCD	9/30/15	--	Project manager, analysts (NCCD)



Table 3 Work Plan				
Task/Activity	Staff Responsible	Dates	Resources Required	Required Contact Personnel
Recommendation of ongoing workload tracking program	NCCD	8/15/15-9/30/15	--	Project manager, analysts (NCCD)

Table 4 Staff Hours (Days)					
Task	Principal Investigator	Project Manager	Analysts	Editing/ Admin Staff	Data Entry UWSC
Workload study design	48 (6)	144 (18)	240 (30)	80 (10)	
Workload study training and data collection	64 (8)	120 (15)	120 (15)	64 (8)	
Quality assurance investigation activities	24 (3)	184 (23)	240 (30)	16 (2)	
Data analysis and report writing	96 (12)	128 (16)	240 (30)	80 (10)	Estimate: \$8,000
Recommendation of ongoing workload tracking program	32 (4)	64 (8)	64 (8)	24 (3)	

4.2 Meetings

The Contractor should plan to meet face-to-face (in person or via web meeting) on a monthly basis (to be determined by DHS) for updates and progress reviews of the work study.

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

4.3 Reporting

The Contractor must submit, to the Program Manager, the following written reports:

A draft of the Final Report will need to be presented to the DHS Program Manager by 7/15/15 for preliminary review.

5. Ordering

5.1 Authorizing Document

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

6. Invoice and Payment

6.1 Invoice Requirements

The Contractor shall provide monthly invoices with a breakdown of activities performed.

All invoices submitted to the State must include: (a) date; (b) purchase order; (c) quantity; (d) description of the Contract Activities; (e) unit price; (f) shipping cost (if any); and (g) total price. Overtime, holiday pay, and travel expenses will not be paid.



6.2 Payment Methods

The State will make payment for Contract Activities via payment voucher

6.3 Procedure

The Contractor shall submit a monthly invoice no later than 30 days after the end of the billing month.

7. 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 \$5,000 and an additional \$100 per day for each day Contractor fails to remedy the late or improper completion of the Work in Section 1.1 and 2.1.



STATE OF MICHIGAN

Contract No. 071B5500085
Caseload Ratio Work Study for Foster Care

EXHIBIT B - Reserved



STATE OF MICHIGAN

Contract No. 071B5500085

Caseload Ratio Work Study for Foster Care

EXHIBIT C - PRICING

Deliverable	Price
1. Analysis of Case Workers Workload (Exhibit A, Section 1.2 Work and Deliverables)	Workload Study Design: \$44,910 Training and Data Collection: \$48,755 Quality Assurance Investigation Activities: \$23,970
2. Provide report with estimation of staff time needed to provide required case services to children and families, and recommended ratio. (Exhibit A, Sections 1.2, 2.1 and 4.3)	Data Analysis and Report Writing: \$60,010 Workload Tracking Program Recommendations: \$20,310
Total Price	\$197,955



STATE OF MICHIGAN

STANDARD CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and National Council on Crime and Delinquency (“**Contractor**”), a New York corporation. This Contract is effective on March 11, 2015 (“**Effective Date**”), and unless terminated, expires on September 30, 2015.

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

The parties agree as follows:

- 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.

- Notices.** All notices and other communications required or permitted under this Contract must be in writing and will be considered given and received: (a) when verified by written receipt if sent by courier; (b) when actually received if sent by mail without verification of receipt; or (c) when verified by automated receipt or electronic logs if sent by facsimile or email.

If to State:	If to Contractor:
<p><i>Chelsea Edgett</i></p> <p><i>525 W. Allegan St.</i></p> <p><i>Lansing, MI 48913</i></p> <p>edgett@michigan.gov</p> <p><i>(517) 284-7031</i></p>	<p><i>Deb Paulus</i></p> <p><i>426 S. Yellowstone Dr., Ste. 250</i></p> <p><i>Madison, WI 53719</i></p> <p>dpaulus@ncccdglobal.org</p> <p><i>(800) 306-6223</i></p>



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

If to State:	If to Contractor:
<i>Chelsea Edgett</i> 525 W. Allegan St. Lansing, MI 48913 edgett@chelseaedgett.com (517) 284-7031	<i>Katherine H. Park, Vice President</i> 426 S. Yellowstone Dr., Ste. 250 Madison, WI 53719 (800) 306-6223

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

If to State:	If to Contractor:
<i>Amanda Doane</i> 235 S. Grand Avenue, Suite 514 Lansing, MI 48933 doane@michigan.gov (517) 335-6869	<i>Kristen Johnson</i> 426 S. Yellowstone Dr., Ste. 250 Madison, WI 53719 kjohnson@nccdglobal.org (800) 306-6223

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 a 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	Contractor must have their policy: (1) endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 04; (2) include a waiver of subrogation; and (3) for a claims-made policy, provide 3 years of tail coverage.



<p><u>Deductible Maximum:</u> \$50,000 Each Occurrence</p>	
<p>Umbrella or Excess Liability Insurance</p>	
<p><u>Minimal Limits:</u> \$5,000,000 General Aggregate</p>	<p>Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds, and (2) include a waiver of subrogation.</p>
<p>Motor Vehicle Insurance</p>	
<p><u>Minimal Limits:</u> \$1,000,000 Per Occurrence</p>	
<p>Workers' Compensation Insurance</p>	
<p><u>Minimal Limits:</u> Coverage according to applicable laws governing work activities.</p>	<p>Waiver of subrogation, except where waiver is prohibited by law.</p>
<p>Employers Liability Insurance</p>	
<p><u>Minimal Limits:</u> \$100,000 Each Accident \$100,000 Each Employee by Disease \$500,000 Aggregate Disease.</p>	
<p>Hired and Non-Owned Motor Vehicle Insurance</p>	
<p><u>Minimal Limits:</u> \$1,000,000 Per Accident</p>	<p>Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds, and (2) include a waiver of subrogation.</p>
<p>Professional Liability (Errors and Omissions) Insurance</p>	
<p><u>Minimal Limits:</u> \$3,000,000 Each Occurrence \$3,000,000 Annual Aggregate</p>	



<u>Deductible Maximum:</u>	
\$50,000 Per Loss	

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

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

7. **MiDEAL Administrative Fee and Reporting.** Contractor must pay an administrative fee of 1% on all MiDEAL payments made to Contractor under the Contract including transactions with the State. Administrative fee payments must be made by check payable to the State of Michigan and mailed to:

Department of Technology, Management and Budget
 Financial Services – Cashier Unit
 Lewis Cass Building
 320 South Walnut St.
 P.O. Box 30681
 Lansing, MI 48909

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

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

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

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

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

9. **Independent Contractor.** Contractor is an independent contractor and assumes all rights, obligations and liabilities set forth in this Contract. Contractor, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Contract. Contractor, and not the State, is responsible for the payment of wages, benefits and taxes of Contractor's employees and any subcontractors. Prior performance does not modify Contractor's status as an independent contractor.

10. **Subcontracting.** Contractor may not delegate any of its obligations under the Contract without the prior written approval of the State. Contractor must notify the State at least 90 calendar days before the proposed delegation, and provide the State any information it requests to determine whether the delegation is in its best interest. If approved, Contractor must: (a) be the sole point of contact regarding all contractual matters, including payment and charges for all Contract Activities; (b) make all payments to the subcontractor; and (c) incorporate the terms and conditions contained in this Contract in any subcontract with a subcontractor. Contractor remains responsible for the completion of the Contract Activities, compliance with the terms of this



Contract, and the acts and omissions of the subcontractor. The State, in its sole discretion, may require the replacement of any subcontractor.

- 11. **Staffing.** The State's Contract Administrator may require Contractor to remove or reassign personnel by providing a notice to Contractor.
- 12. **Background Checks.** Upon request, Contractor must perform background checks on all employees and subcontractors and its employees prior to their assignment. The scope is at the discretion of the State and documentation must be provided as requested. Contractor is responsible for all costs associated with the requested background checks. The State, in its sole discretion, may also perform background checks.
- 13. **Assignment.** Contractor may not assign this Contract to any other party without the prior approval of the State. Upon notice to Contractor, the State, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Contract to any other party. If the State determines that a novation of the Contract to a third party is necessary, Contractor will agree to the novation, provide all necessary documentation and signatures, and continue to perform, with the third party, its obligations under the Contract.
- 14. **Change of Control.** Contractor will notify, at least 90 calendar days before the effective date, the State of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the following: (a) a sale of more than 50% of Contractor's stock; (b) a sale of substantially all of Contractor's assets; (c) a change in a majority of Contractor's board members; (d) consummation of a merger or consolidation of Contractor with any other entity; (e) a change in ownership through a transaction or series of transactions; (f) or the board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.

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

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

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

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

- 17. **Reserved**
- 18. **Reserved**
- 19. **Reserved**

- 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 Services purchased under this Agreement are for the State's exclusive use. Notwithstanding the foregoing, all prices are inclusive of taxes, and Contractor is responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by the State under this Contract.

The State has the right to withhold payment of any disputed amounts until the parties agree as to the validity of the disputed amount. The State will notify Contractor of any dispute within a reasonable time. Payment by the State will not constitute a waiver



of any rights as to Contractor's continuing obligations, including claims for deficiencies or substandard Contract Activities. Contractor's acceptance of final payment by the State constitutes a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still disputed.

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

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

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

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

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

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



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

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

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

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

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

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

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

30. Reserved

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 (1) business day of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Contractor), an extract of the State Data in the format specified by the State.
- d. Backup and Recovery of State Data. Unless otherwise specified in Exhibit A, Contractor is responsible for maintaining a backup of State Data and for an orderly and timely recovery of such data. Unless otherwise described in Exhibit A, Contractor must maintain a contemporaneous backup of State Data that can be recovered within two (2) hours at any point in time.
- e. Loss of Data. In the event of any act, error or omission, negligence, misconduct, or breach that compromises or is suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor must, as applicable: (a) notify the State as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State; (c) in the case of PII or PHI, at the State's sole election, (i) notify the affected individuals who comprise the PII or PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within 5 calendar days of the occurrence; or (ii) reimburse the State for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twenty-four (24) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence; (g) be responsible for recreating lost State Data in the manner and on the schedule set by the State without charge to the State; and, (h) provide to the State a detailed plan within 10 calendar days of the occurrence describing the measures Contractor will undertake to prevent a future occurrence. Notification to affected individuals, as described above, must comply with applicable law, be written in plain language, and contain, at a minimum: name and contact information of Contractor's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Contractor has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Contractor. This Section survives the termination of this Contract.

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

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. **Reserved**

35. **Reserved**

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 7 years after the latter of termination, expiration, or final payment under this Contract or any extension (“**Audit Period**”). If an audit, litigation, or other action involving the records is initiated before the end of the Audit Period, Contractor must retain the records until all issues are resolved.

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

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

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

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").