

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

**NOTICE OF CONTRACT NO. 071B6600077**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Brogan & Partners Advertising Consultancy, Inc. dba Brogan & Partners Convergence Marketing 800 N. Old Woodward Avenue Birmingham, MI 48009	Ellyn Davidson	edavidson@brogan.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(248) 341-8211	6429

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
Program Manager (Day-to-Day)	DHHS	Geralyn Lasher	517-241-2112	<a href="mailto:lasherg@michigan.gov">lasherg@michigan.gov</a>
Program Manager (Non-Day-to-Day)	DHHS	Shirley Martin	517-241-2305	<a href="mailto:martins@michigan.gov">martins@michigan.gov</a>
<b>BUYER:</b>	DTMB	Mary Ostrowski	517-284-7021	<a href="mailto:ostrowskim@michigan.gov">ostrowskim@michigan.gov</a>

CONTRACT SUMMARY:			
<b>DESCRIPTION:</b>			
Creative and Media Advertising and Clearinghouse Services – Michigan Department of Health and Human Services			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 Years	May 1, 2016	April 30, 2019	2 – One Year
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
2NET10 on commission portion; NET 45	N/A	N/A	N/A
<b>ALTERNATE PAYMENT OPTIONS:</b>			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
<b>MINIMUM DELIVERY REQUIREMENTS:</b>			
N/A			
<b>MISCELLANEOUS INFORMATION:</b>			
N/A			
<b>ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:</b>		\$25,563,000.00	

**THIS IS NOT AN ORDER:** This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #007116B0006270. 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 #: 071B6600077**

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



**STATE OF MICHIGAN**  
Contract No. 071B6600077

Creative and Media Advertising and Clearinghouse Services - MDHHS

**EXHIBIT A**  
**STATEMENT OF WORK**  
**CONTRACT ACTIVITIES**

**Project Request**

This is a Contract for Creative and Media Advertising Services as well as activities associated with the Clearinghouse for the Michigan Department of Health and Human Services (MDHHS). The Creative and Media Advertising Services Contractor must also provide the MDHHS Clearinghouse Services and must be the prime contact for the Clearinghouse. This Contract is also available to other State Departments and MiDEAL members (authorized local units of government).

**For Creative and Media Advertising Services (see Section 1.1.A), the Contractor must:**

1. Achieve maximum effectiveness and efficiency in expenditures for marketing, promotion and advertising services, supplies and materials.
2. Plan, develop and execute effective and efficient marketing, promotion, social media and advertising programs to ensure awareness of messages within target audiences.
3. Successfully leverage paid advertising to maximize opportunities for matching spots, value added, bonus and other means to further advertising reach.
4. Conduct market research such as focus group testing, telephone or intercept surveys.
5. Provide guidelines and message strategies as directed by MDHHS. For each individual campaign, MDHHS will provide the content and message specifics to assist in developing the media strategy.
6. Be flexible to adapt to changing needs over the term of the agreement.

**For the Clearinghouse Services (see Section 1.1.B), the Contractor must:**

1. Provide customer service and satisfaction to citizens as they seek out information.
2. Provide customer referrals and call center services to customers.
3. Host and maintain a fully integrated website offering online ordering capabilities for currently available health and human services publications.
4. Store collateral materials such as publications, brochures and reports.
5. Distribute and mail collateral materials to customers.
6. Provide inventory and reporting services including electronic access for MDHHS staff.
7. Be sufficiently flexible to adapt to changing needs of MDHHS over the term of the Contract.

**Background**

MDHHS communicates health and human services messages with the general public utilizing a variety of methods including radio, television and print advertising, brochures, web sites and social media. Many of these messages include a "call to action" for the consumer to obtain a publication, call a hotline, or find a health care provider. The Clearinghouse provides storage space, inventory control, fulfillment and phone center services in response to many of these media campaigns for MDHHS.

The following information are examples of MDHHS programs/campaigns and do not represent an exclusive list of MDHHS Campaigns:

**A. Healthy Michigan Plan: \$2,000,000**

**Target Audience:**

Adults 19-49 who are currently NOT eligible for Medicaid or NOT eligible for Medicare, or enrolled in Medicare, and have income at or below 133% of the federal poverty level (\$16,000 for a single person or \$33,000 for a family of four) and those newly enrolled in Healthy Michigan Plan.

**Program Summary:**

Governor Rick Snyder signed into law Michigan Public Act 107 of 2013, which allows the State of Michigan to make health care benefits available to low-income Michigan residents through the Healthy Michigan Plan. The Healthy Michigan Plan will encourage healthy behaviors and personal responsibility, help low-income Michigan resident's access affordable health coverage, and reduce uncompensated care that shifts costs onto businesses and taxpayers.

**Message:**

To inform eligible persons that healthcare is now available at a cost that works in their budget. The additional message is that once people are enrolled in the Healthy Michigan Plan, they have access to healthcare benefits to improve their health status.

**B. HIV Care Campaign: \$2,000,000****Target Audience:**

African American men having sex with men ages 18-30 and Caucasian men having sex with men ages 30+

**Program Summary:**

HIV infection is a long-term illness that damages the body's immune system, or its ability to fight off diseases. The HIV Care campaign encourages people to find a free, confidential testing location, and assure them that their personal information and test results will be kept private.

Case managers, drug assistance program, and treatment resources help people get the care they need to survive and live the best life possible. Counselors can also help give tools and information to protect from HIV.

**Message:**

To get tested and seek treatment if tested positive.

**C. Problem Gambling: \$1,300,000****Target Audience:**

Adults 25+

**Program Summary:**

Gambling in Michigan has changed. Once a relatively rare activity, it is now common. 84.5% of Michigan residents have gambled. For those who become addicted, gambling leads to serious family and financial strain. Approximately five percent (5%) of people who gamble ultimately become addicted. In Michigan, that translates to about 350,000 compulsive gamblers.

MDHHS's goal is to prevent vulnerable persons from becoming problem gamblers and to promote intervention and provide treatment for those who are already problem gamblers. The focus of efforts will be primarily on casino and sports gambling.

In order to reach its objective, MDHHS will educate the public about the dangers and consequences of becoming a problem gambler, as well as showing symptoms and situations to recognize if somebody is a problem gambler. MDHHS offers a treatment hotline and website for those who recognize that they are or know someone who may be a problem gambler.

Additional goals are to prevent children including teenagers, from getting involved in internet gambling and providing awareness to parents.

**Message:**

Problem gambling messages should talk about symptoms or signs of becoming a problem gambler and the consequences of becoming a problem gambler, including financial, relational, emotional, etc.

**D. Cancer Screening: \$474,000****Target Audience:**

Adults 25 -54 and parents with children ages 11 to 18

**Program Summary:**

Although there is no way to guarantee a person won't get cancer, there are steps that they can take to live a healthier life and reduce the risk of getting cancer. Finding cancer early is key in the effective treatment of cancer. The cancer campaign is geared to encourage people with health insurance to get screened for colorectal, prostate and mammogram screenings. There is also a human papilloma virus (HPV) component that encourages parents to get their children the HPV vaccine and educate how the vaccine can reduce the risk of many types of cancer.

**Message:**

Get screened for cancer, according to the recommendations.

**E. Crime Victim Services Commission: \$423,000****Target Audience:**

Victims of crime and any individual with potential to fall victim to a crime (adults 18+).

**Program Summary:**

The Michigan Crime Victim Notification Network is a free, confidential 24-hour telephone-computer interface that allows crime victims and other citizens to register to receive almost instantaneous telephone notice whenever a prisoner's custody status changes. This automated notification system greatly enhances victim safety and convenience while providing added response capabilities for agencies implementing crime victims' rights.

**Message:**

The Michigan Crime Victims Notification Network is available, free and confidential.

**F. MI Healthier Tomorrow: \$400,000****Target Audience:**

Adults 25-54 who are overweight or obese

**Program Summary:**

As a part of the Governor's 4 x 4 initiative, MDHHS kicked off the MI Healthier Tomorrow campaign. MI Healthier Tomorrow urges residents to pledge to lose 10% of their weight. When you are overweight, you put yourself at a higher risk for chronic diseases like cancer, diabetes, heart disease and stroke. Losing just 10% of one's body weight can make significant improvements to physical and mental health, including:

- Improve blood pressure
- Lower cholesterol levels
- Improve heart health
- Decrease risk of Type 2 diabetes
- Strengthen the immune system
- Decrease back and joint pain
- Improve breathing and sleep
- Increase energy and stamina
- Improve mood and self-confidence

**Message:**

Encourage Michiganders to take the pledge to lose 10% of their body weight.

**G. Tobacco: \$300,000****Target Audience:**

Low-income, disparately affected Adults 18-55

**Program Summary:**

Every year more than 15,000 Michigan citizens needlessly die from tobacco-related diseases, including heart disease, lung disease, and cancer. An additional 1,900 nonsmokers die from the effects of exposure to secondhand smoke, costing over 200,000 years lost to premature death and several billion dollars in lost productivity and health care expenditures. The toll of tobacco is both a personal human tragedy and a crushing economic burden to our state.

The Tobacco Control Program's primary focus is moving people to quit tobacco, increasing and promoting accessible and affordable cessation services, and identifying and eliminating disparities specific to race/ethnicity, socioeconomic status, occupation, geography, gender and sexual orientation. A secondary message would be the personal health benefits achieved by quitting tobacco.

**Messages:**

Messages should focus on two main areas: increasing cessation among adults, promoting benefits of quitting.

**H. Abstinence: \$300,000****Target Audience:**

Teens 12-18

**Program Summary:**

Teen pregnancy in Michigan constitutes a significant public health problem. Teen pregnancy has a devastating social and economic impact on not only the pregnant teen, but also the children of teen parents, families, communities and society as a whole. Abstinence education programs must reach younger teens and pre-teens in order to provide education, support and the skills necessary to maintain an abstinent lifestyle, or return to abstinence.

Parents/guardians and other key adults in the lives of teens play a vitally important role in teen pregnancy prevention, whether they realize it or not. The Michigan Abstinence Partnership (MAP) program works with parents to help strengthen the connection between themselves and their children, encouraging open discussions between youth and parents about healthy sexuality and the benefits of abstinence. The program promotes abstinence by communicating the importance of waiting to have sex.

**Message:**

To encourage teens to wait to have sex.

**I. Infant Safe Sleep: \$300,000**



**Target Audience:**

Women ages 18-34

**Program Summary:**

A baby dies every three days in Michigan from unsafe sleep environments. These deaths are 100% preventable. In order to assist with the Governor's initiative to reduce infant mortality, the infant safe sleep campaign is geared to increase awareness of the importance of children sleeping safely – in their own crib, on their backs, with no pillows or blankets.

**Message:**

Put your baby to sleep safely each and every time.

**J. Foster Care Recruitment: \$300,000**

**Target Audience:**

Foster parents should be Michigan residents (age 18+) who are:

- Willing to work with the child's birth parents.
- Supportive of efforts to return the child home.
- Able to work with children who have emotional and behavioral needs.
- Able to encourage teens toward independent living.
- Willing to provide a permanent home if necessary.

**Program Summary:**

Foster Care identifies and places children in safe homes when they cannot remain with their families because of safety concerns. Foster families provide these children with the consistency and support they need to grow.

Approximately 13,000 Michigan children are in foster care at any given time. The primary goal during foster care is to reunite the child with his or her parents, which can take quite some time. Michigan foster care parents provide a safe, nurturing home for these children until they can be returned to their families. When children cannot be returned to their homes, foster parents are often asked to provide permanent homes.

**Messages:**

Messages should focus on the need in each community – this isn't just a state or national problem, it's happening in Michigan communities.

Messages also need to emphasize the great need and the value that foster care provides to these children who are going through a difficult time.

**K. Infant Mortality: \$200,000**

**Target Audience:**

Women ages 18-34

**Program Summary:**

Infant mortality, the rate at which babies born alive die before reaching their first birthday, is a significant public health problem in our state. For every 1,000 babies born in Michigan, almost 7 die by age one. Causes of infant mortality include serious birth defects, preterm birth before 39 weeks gestation, Sudden Infant Death Syndrome (SIDS), maternal pregnancy complications, and injuries.

Because infant mortality is so important, it is one measure selected by Governor Rick Snyder to gauge the health of Michigan's population. Infant mortality is publicly monitored on Michigan's performance dashboards, which were implemented by Governor Snyder to provide a quick assessment of the State's performance in key areas.

**Message:**

To encourage and empower women of childbearing age to maintain a healthy lifestyle before, during and after pregnancy to ensure they and their baby stay healthy.

**L. Pathways to Potential: \$100,000**

**Target Audience:**

Businesses, influencers, and major donors, Employer Resource Networks through the State of Michigan school officials

**Program Summary:**

Pathways to Potential is a customer service model that puts the help of a caseworker in the community where they are most needed.

In an effort to help everyone find a path to their fullest potential, Michigan created Pathways to Potential as a way to break down barriers and deliver services where people need them most.



The Pathways approach targets five outcome areas: attendance, education, health, safety and self-sufficiency. It also relies on a number of support networks and partnerships to wrap their arms around children and families to help them succeed.

**Messages:**

Messages should inspire community members and identified partners to volunteer, donate, partner and spread the word about the Pathways to Potential program.

**M. Bureau of Emergency Medical Services (EMS), Trauma, and Preparedness: \$100,000**

**Target Audience:**

Adults 25-55 who make decisions for the family

**Program Summary:**

The Bureau of Emergency Medical Services (EMS), Trauma, and Preparedness is the emergency preparedness and response arm of the MDHHS. The office serves to protect the health of Michigan citizens before, during and after an emergency through the integration of public health and medical preparedness. These activities encompass all hazards, including natural and man-made disasters, acts of bioterrorism, infectious disease outbreaks and other emergencies that impact the health of the public.

**Message:**

Be prepared for an emergency before an emergency happens.

**N. Substance Use Disorder: \$300,000**

**Target Audience:**

Primary – Parents of teenagers Secondary – Teens 12-18

**Program Summary:**

Substance use disorder is a continuing problem in the United States and Michigan. In 2013, an estimated 24.6 million individuals aged 12 or older were current illicit drug users, including 2.2 million adolescents aged 12 to 17. Use and abuse of illicit drugs is associated with child and spousal abuse, sexually transmitted diseases (STDs, including HIV infection), teen pregnancy, school failure, motor vehicle crashes, escalation of healthcare costs, reduced worker productivity, and disruptions in family and personal life.

An increasing and dangerous problem Michigan is facing is the misuse and abuse of over-the-counter (OTC) and prescription drugs.

MDHHS's goal is to prevent the initiation of drug use, focusing primarily on OTC and prescription drugs, marijuana, heroin, alcohol abuse and methamphetamine use with a secondary focus on other types of club drugs.

To reach the objective of preventing illegal drug use and alcohol abuse the media campaign should use messages from the Partnership for Drug-Free Kids to encourage and educate:

1. Parents to communicate with their children on the dangers of substance abuse and OTC and prescription drugs.
2. Teens not to start using illegal substances and OTC & prescription drugs.

**Messages:**

Messages used will be from the Partnership for Drug-Free Kids. MDHHS receives new reels twice a year of spots MDHHS is able to have tagged and use. This campaign is primarily just media placement, not creative.

**O. Michigan Career & Technical Institute: \$24,000**

**Target Audience:**

- Transition Youth
- High School Transition Counselors
- Individuals who do not view themselves as having a disability, but struggled with math and/or reading
- Individuals interested in quickly gaining skills to acquire employment (fast track to employment)
- Individuals who need re-training (due to physical issues or layoffs) in a short/hands on environment with supports
- Veterans

**Program Summary:**

The Michigan Career and Technical Institute (MCTI) conducts vocational and technical training programs and provides the supportive services needed to prepare Michigan citizens with disabilities for competitive employment.

MCTI is the only facility of its kind in Michigan and is one of only seven in the U.S.

MCTI has a unique way of delivering services to individuals that would not necessarily be successful in a community college setting.



The programs offered by MCTI are driven by the business needs and demands in Michigan.

MCTI is seeking to increase enrollment, and they need to increase donations.

**Messages:**

Messages should focus on the training programs and support services offered by MCTI.

**P. MDHHS Clearinghouse:**

The Contractor must be the prime contact for the Clearinghouse. MDHHS communicates health and human services messages with the general public utilizing a variety of methods including radio, television and print advertising, brochures, web sites and social media. Many of these messages include a “call to action” for the consumer to obtain a publication, call a hotline, or find a health care provider. The Clearinghouse provides these services for MDHHS.

The materials that are stored at the MDHHS Clearinghouse are materials that MDHHS produce through DTMB. MDHHS provides them to the Contractor to manage, store, and distribute.

**Estimated Federal and State Fiscal Year 2016 Funding for Advertising Campaigns:**

These estimated funding figures represent total figures potentially available for MDHHS media campaigns. Funding must cover total costs for items such as creative, production (if needed), and Contractor fee.

A. Healthy Michigan Plan	\$2,000,000
B. HIV Care Campaign	\$2,000,000
C. Problem Gambling	\$1,300,000
D. Cancer Screening	\$ 474,000
E. Crime Victims	\$ 423,000
F. MI Healthier Tomorrow	\$ 400,000
G. Tobacco	\$ 300,000
H. Abstinence	\$ 300,000
I. Infant Safe Sleep	\$ 300,000
J. Foster Care Recruitment	\$ 300,000
K. Infant Mortality	\$ 200,000
L. Pathways to Potential	\$ 100,000
M. Bureau of Emergency Medical Services (EMS), Trauma, and Preparedness	\$ 100,000
N. Substance Use Disorder	\$ 300,000
O. Michigan Career and Technical Institute	\$ 24,000
P. MDHHS Clearinghouse	\$ 204,000

**Estimated FY'16 Total \$8,725,000**



1. Specifications

1.1 Contractor Requirements

A. Creative and Media Advertising Services

Main tasks to be accomplished for each subject area:

1. Develop a marketing strategy for MDHHS programs.
2. Identify and develop creative concepts for MDHHS programs.
3. Conduct marketing research such as focus group testing, telephone or intercept surveys.
4. Produce and duplicate media materials as needed.
5. Develop media plans for MDHHS programs.
6. Place media messages and conduct advertising tracking surveys.
7. Provide results/recaps after each media campaign and work with stations if any make-goods are necessary.

1. Develop a marketing strategy for MDHHS programs.

- a. The Contractor must assist MDHHS in developing and implementing external communications, such as health and human services promotion media campaigns identified in the Background Section of this RFP. Program areas may be added or removed as need/funding arise.

To develop marketing strategies for each of the MDHHS programs, the Contractor will use their True Results Process:

1) Phase 1: True Definity

- a) The Contractor will begin with the end in mind, specifically, what kind of consumer behavior are we attempting to motivate? Every project, regardless of size or scope, will be rooted in connecting with consumers and motivating positive behaviors.
- b) The Contractor will follow a rigorous process to develop, execute and measure strategic work. This applies equally to creative, media, content, social, etc.
- c) The process will be customized to meet the specific marketing objectives for each program and will be led by the Contractor's Account Director. The Contractor will incorporate key members of their strategy, creative, media and social media teams along the way.
- d) This process will be grounded in research. The Contractor will begin with the MDHHS internal job request form which provides the goals, audience, what needs to be communicated, the actions MDHHS wants the audience to take or belief they want them to adopt, additional relevant insights, the call to action and the project budget. Once the Contractor receives the internal job request, the Contractor will perform the following steps:
  - Step 1: Hold a kick-off phone call with Contractor, MDHHS Communications staff and the program
  - Step 2: Review any past market research
  - Step 3: Perform CEB Iconoculture research and participate in a strategy call with the leading expert in the area of interest to assist the Contractor in identifying target audience values, attitudes and beliefs as it pertains to the particular issue.
  - Step 4: Review CDC and other third party research available with regards to the specific issue
  - Step 5: Review Behavioral Risk Factor Surveys (BRFS)
  - Step 6: Review existing creative and programs from other states, cities, etc.
  - Step 7: Conduct a Contractor survey (if applicable) to Contractor's database of 1,200+ women
  - Step 8: Review past media plans and analytics
  - Step 9: Analyze Nielsen @Plan information for target audience media habits
  - Step 10: Recommend additional research if necessary
- e) The Contractor will provide the most relevant insights and information from the information collected and reviewed in a detailed report to MDHHS. This will include important information about the target audience and key insights that will help drive the media plan and strategy.

2) Phase 2: True Connection

- a) The Contractor will connect what the product/program has to offer with what the audience truly desires: Product Truth + Consumer Truth = True Connection
- b) The Contractor will distill the research from Phase 1 to determine the product truth.
- c) The Contractor will immerse themselves in the consumer's life, feelings and desires from the research in Phase I to define the Consumer Truth (the emotion of what the consumer truly desires and is looking for).
- d) The Contractor will combine the two to create the True Connection, a message that will forge an emotional connection between what MDHHS has to offer and the consumer.
- e) The Contractor will present the Creative Strategy Planner to MDHHS to get final approval on the creative direction. The strategy planner document will answer the following questions:
  - Who is the client, brand and product?
  - What is the objective?
  - What is the point of differentiation among the competitors?



- Who is the audience?
- What is the brand personality?
- What is the product truth?
- What is the consumer truth?
- What is the true connection between the product and the consumer?
- Why should they believe it?
- What should be the outcome?

3) *Phase 3: True Delivery*

- a) With MDHHS approval of the prescribed direction, the Contractor will craft creative concepts and a media strategy that bring the message to life, and will deliver it across the most efficient media channels.
- b) The Contractor will present three concepts for consideration, employing two to three different mediums to illustrate each concept (i.e. video, print, digital). The MDHHS preferred concept will then be cast across the entire creative platform.
- c) The Contractor will identify the best delivery vehicles to articulate the message, build awareness and get results. The Contractor will determine the most effective and efficient strategy to reach the audience and optimize the marketing dollars, converging all media vehicles and creative executions to create one message with one voice.
- d) This may include: traditional advertising, email marketing, direct marketing, digital, social media, mobile marketing, inbound marketing, customer relationship management, non-traditional guerilla advertising, etc.
- e) The Contractor will provide solid ROI and analytics to substantiate the effectiveness of the marketing program. At the end of each campaign, the Contractor will provide recap reports including impressions, value add for all media, click through rates, open rates and any other reportable results.

**2. Identify and develop creative concepts for MDHHS programs.**

- a. **The Contractor must prepare at least three (3) creative concepts for each type of media, as determined by the MDHHS Program Manager for MDHHS reviews. One (1) concept is taken to final art or script, which is generally routed for review and comment through necessary staff. Once changes are made and reviewed, the concept will receive final approval from the MDHHS to move forward. The Contractor must prepare an outline of activities, timelines and deliverables based on a budget, for the Contractor’s key personnel.**

Contractor’s plan for identifying and developing creative concepts:

- 1) The first step in developing creative concepts is determining the budget and the timeline. Once MDHHS approves the Creative Strategy Planner, the Contractor will brief their creative team to begin working on concepts. Once the Contractor briefs their creative team, the Contractor will provide concepts to MDHHS within three weeks.
- 2) The creative team includes multiple writers and art directors under the direction of the Creative Director. With each new campaign, the Contractor will begin with a minimum of 5-6 creative campaign directions, all of which are strategically in line with the approved strategy planner. Next, the Contractor will determine the directions MDHHS believes work best to communicate to the audience, including the directions that are most in line with the budget, will cut through the clutter, have the greatest opportunity for extension and will maximize results. All concepts will be based on the MDHHS approved production budget. The Contractor may present a 4th or 5th concept in addition to the required 3. The Contractor will cast the concepts across 2-3 channels to give MDHHS and the program an idea of how the campaign will play out in various media vehicles.
- 3) Once the Contractor picks the ultimate direction/final concept, the Contractor will finalize the scripts or artwork, develop all remaining materials from the media plan, route through the Contractor and MDHHS team for review and comment, and then provide to MDHHS for final review. The Contractor will also provide an outline of activities, detailed timelines, budget and deliverables. Production timelines and budgets vary based on the media vehicle. For television, it can take two to four weeks to deliver a final spot. Radio can take anywhere from one to two weeks, and digital and print can be finished and delivered within one week of concept approval. The Contractor will obtain MDHHS sign-off on all materials as the final step in the process.
- 4) In instances where MDHHS and/or the program is not completely confident with the creative presented, the Contractor will get prompt feedback and immediately move the creative team forward with developing new concepts. The Contractor will work weekends and evenings, when necessary, to keep MDHHS and the Contractor on schedule.

- b. **The Contractor is responsible for developing or modifying advertising/marketing/creative concepts and direction including but not limited to 30-second TV and 30- and 60-second radio spots.**

- 1) The Contractor will locate and adjust any materials needing modification at a moment’s notice. When developing new materials, the Contractor will follow their True Results Process identified in Section 1.1.A.1.a of the Contract.

- c. **All creative concepts/materials/productions must be copyright free, including non-rights managed visual materials to be used in print, online and other forms and full buy-out unrestricted use of talent in all Michigan media broadcast,**



**cable, and online for a minimum four year period. The Contractor must ensure that, in negotiations of talent rights, the State will be signatory on all talent/property rights.**

**d. It is essential that all communications be diverse and culturally competent.**

Contractor's plan to ensure all communications are diverse and culturally competent:

- 1) Having a clear understanding of the target audience: The Contractor will start every new campaign grounded in research. The Contractor will use their subscription-based third party research tool, CEB Iconoculture, regularly to understand the mindset, point of view and values of the diverse groups of people represented in Michigan. From these reports, the Contractor will begin the creative process with an understanding of the consumer's feelings and attitudes.
- 2) Work with consultants with expertise in populations the Contractor is working: The Contractor will work with two consultants (identified in Section 3.6) to assist in clearly understanding the Latino and African American Markets. Both will consult with the Contractor providing valuable insight on the Latino and African American markets.
- 3) Working with the media: The Contractor will consult with major publishers of the minority publications in the state and consult with them on what works and what doesn't. The Contractor will obtain assistance from them to translate and ensure the messages are culturally relevant and competent.
- 4) Utilizing Contractor's expertise and contacts from New Detroit's multicultural leadership series.
- 5) Conduct focus groups: The Contractor will test creative concepts using focus groups. With the identified target audience, the Contractor will recruit members of the community that represent the age and cultural diversity of the target audience.

**3. Conduct marketing research such as focus group testing, telephone or intercept surveys.**

**a. The Contractor is responsible for conducting market research, as appropriate, to better assess the target populations that the State is trying to reach with its communication efforts. This market research may include the use of marketing databases, intercept surveys, focus groups, observational research, and other tools as approved to help determine/refine message and creative strategies. MDHHS Program Manager will determine on a case by case basis whether or not research is necessary to achieve the desired results.**

- 1) The Contractor will provide recommendations to MDHHS on what types of research to use when developing the marketing strategy. Research types include but are not limited to phone surveys, intercept surveys, focus group testing, and Contractor database of more than 1200 women.

**4. Produce and duplicate media materials as needed.**

**a. The Contractor is responsible for producing internet project deliverables in support of TV and radio messaging, including repurposed-TV ads, banner ads, splash pages, etc.**

- 1) If the campaign developed directs people to a web URL on the Michigan.gov site, the Contractor will develop creative materials to use on the site as a landing page. If TV is part of the campaign the Contractor will include embedded television on the sites. Once the scope of the program and creative strategy is developed. The creative and web development teams will work together to develop the best approach that works with the campaign materials developed in various other forms of media.
- 2) The Contractor will upload all television and radio spots to the MDHHS YouTube page so these creative materials can easily be embedded on web pages.
- 3) If needed and approved by MDHHS, the Contractor will develop web portals for partners to access materials to share with their constituents.
- 4) If needed and approved by MDHHS, the Contractor's media team will negotiate and purchase all forms of digital media including desktop and mobile. The Contractor's creative team will work to create the most compelling ads to drive clicks and actions. The Contractor will continually optimize throughout the campaign to make sure the best results are achieved.

**b. The Contractor is responsible for producing other project deliverables including billboards, posters, banners, flyers, e-mail marketing messages, etc.**

- 1) Once the overall campaign is developed for an initiative, the Contractor will extend the campaign into each of the media vehicles and deliverables detailed in the marketing strategy and media plan. Each piece will begin with a Creative Strategy Planner document which details the goals, objectives, differentiators, proof points, true connection and specs for each project or campaign. From there, the Contractor will brief their team. The team will then work on developing the



concepts which will be presented to MDHHS for review and approval. This may include, but is not limited to, billboards, posters, banners, flyers and email marketing messages.

- 2) For billboards, the Contractor will send the billboard to the outdoor company as a final check to make sure the content is readable, including fonts, colors, etc., once the Contractor has MDHHS approval on a concept. Once the outdoor company approves, the Contractor will move into production.

**c. The Contractor must create, produce and distribute (i.e. packing & shipping to retailers or warehouses as required) collateral materials as needed.**

- 1) The Contractor will create a Creative Strategy Planner document for each piece of collateral material. The Creative Strategy Planner will detail the goals, objectives, expected outcome, true connection specifications and timeline. Once materials are developed, the Contractor will submit to the MDHHS Program Manager for approval. After everything is approved, the Contractor will submit a work authorization to move forward with production. Where necessary, this will include shipping addresses and packaging instructions.

**2) Collateral materials include but is not limited to the following:**

- a) **Advertising specialty items.**
- b) **Brochures.**
- c) **Trade show, conference and related promotional materials.**
- d) **Direct mail pieces.**
- e) **Video production and photography services.**
  - The Contractor will look at the various stock sites beginning with the lowest cost or free stock available. The Contractor will utilize their in-house photography team, when there is not a budget available, and the talent is available.
  - For video production, the Contractor will look at several different options depending on the project. The Contractor will begin the process with an understanding of the goals, objectives, target audience and budget. Once the creative team is briefed, the Contractor will determine how long the video should be, if a complete script is needed or if the video will be created out of interviews, and then transcribe and edit the video together in post-production.
- f) **Branded fulfillment envelopes.**

**d. The Contractor must direct and coordinate television and radio production and review all aspects including budgets, casting, music, and special effects with the MDHHS.**

Contractor's process for directing and coordinating TV production:

Step 1: The Contractor's process will begin before the Contractor begins concepting and before the creative team is given a budget range to set the parameters of the project. Throughout the Contractor's creative process, the Contractor's teams will vet scripts with their production partners to make sure their concepts can be developed within the budget allocated.

Step 2: Once MDHHS has selected a concept, the Contractor's creative team will develop a production worksheet for the production partner. The Contractor will work to secure the lowest costs with the highest quality on everything from the camera package to the editing, etc. The Contractor will always use Michigan-based production companies, crews, talent and editing houses.

Step 3: The Contractor will provide the cost estimate to MDHHS for approval, and will work on casting and location scouting. Casting and location scouting will be provided to MDHHS for review and approval prior to finalizing.

Step 4: Prior to the shoot, the Contractor will conduct a pre-production meeting between MDHHS, the Contractor, and the production company to make sure everyone is on the same page. At this time, the Contractor will provide a production book which details the location, casting, storyboards, timeline, crew, etc.

Step 5: Following the shoot, the Contractor's production team will develop rough cuts and provide options to MDHHS. Once these are approved by MDHHS, the Contractor will move into final production. Once the spot is completed and approved by MDHHS, the Contractor will work with the duplication house to close caption the spot and send it off to the stations, MAB and MCTA.

Contractor's process for directing and coordinating radio production:

Step 1: The Contractor will provide casting to MDHHS, and MDHHS and the Contractor will agree on a time and date to record, when MDHHS can be present and involved in the production.

Step 2: Once the spot is recorded, the Contractor's team will work to find the best music and/or sound effects.

Step 3: When the Contractor has approved the final spot, the Contractor will provide the spots to MDHHS for approval.

Step 4: Once the spot is approved, the Contractor will distribute the spot to stations and MAB.

**1) The Contractor is responsible for shooting, recording, editing, and post-production.**

- a) The Contractor's creative team and account team will work closely with the production company to make sure the vision of the spot comes to life and the spot will work hard to impact the desired behavior.



**2) The Contractor must deliver both rough cuts and finished spots to MDHHS for final approval within the timeframe defined by MDHHS, but no less than one working day. Timeframe will vary per campaign.**

a) During the pre-production phase of the project, the Contractor will build a production calendar which serves as a road map throughout the process. The Contractor will discuss and review the production calendar with MDHHS to make sure everyone is comfortable with the dates. Once the process begins, the Contractor will set up meetings to present creative, either virtually or in person, through each step of the process.

**3) The Contractor is responsible for producing and duplicating media materials as needed in a variety of formats, including Beta, Digital Beta, wmv files, mov files, mp3 files, etc. .**

a) The Contractor will work closely with a digital duplication house that can create any type of format needed. Each year, the Contractor will renegotiate with the production house to ensure the best rates for the various formats. The Contractor will utilize internal resources to create wmv files, mov files and mp3 files.

**5. Develop media plans for MDHHS programs.**

**a. The Contractor is responsible for developing media plans for all individual media campaigns and their appropriate target audiences, messages, message strategies, and communication vehicles that help meet stated objectives. The Contractor must provide the plans and update these plans as required by the MDHHS Program Manager throughout the fiscal year.**

1) The Contractor will analyze the media habits of the audience through Nielsen @Plan and Scarborough to determine the best media vehicles.

2) Once the Contractor has gathered the necessary data, the Contractor will develop a detailed media plan complete with research to support each of the media choices. The plan will include an overview page detailing target, objectives, markets, timing and budgets. The second page of the plan will include a complete budget summary including production and Contractor fee. Following the budget summary, each media option will be detailed on individual pages. The final page will be a flow chart showing the media timing throughout the year. The plan will also include details on when MAB, MCTA and any other value added programs will run.

3) The Contractor will present the plan o MDHHS and make any requested adjustments following presentation of the plan. If budgets or timing changes throughout the year, the Contractor will make adjustments to the plan to always have a final comprehensive plan on hand.

**b. The Contractor’s media plans for paid advertising must outline:**

**1) Paid media budget.**

a) The Contractor will take many factors into consideration when determining how to best use the media budget including the audience, market size, time of year, creative considerations, goals and objectives. The Contractor will look at value add opportunities and allocate the budget based on the ideal reach and frequency and least amount of waste.

**2) Target audience.**

a) Through MDHHS objectives and research, the Contractor will determine the primary target audience defining both demographic and psychographic characteristics that will help the Contractor best market to the audience. The Contractor will also detail media habits of the target audience.

**3) Flight dates.**

a) The Contractor will determine the flight dates based on communication objectives. The Contractor will look to run when media costs are most affordable when a message has less specific timing parameters. The Contractor will look to avoid political windows for TV, radio and cable where spots are most expensive and hard to clear.

**4) Geography/media markets.**

a) The Contractor will determine markets spill into other markets, how far station signals reach, the make-up of each market, the trends in each market and how to reach non-metered markets.

**5) Advertising units.**

a) The Contractor will discuss Advertising units upfront will be based heavily on the goals and objectives and the available resources, including budget parameters. The Contractor will work with standard ad units (i.e. :30 Spot TV,



:60 and :30 radio, banner ads of all sizes both desktop and mobile) on a daily basis or non-traditional ad units, including but not limited to billboards with extensions, 2-minute radio features, digital page takeovers, content disco and interstitial units. The Contractor will work with non-traditional mediums including but not limited to grocery bag advertising, projection advertising, salon advertising, doctor office advertising, pump toppers, bus bench advertising and cinema.

**6) Media weight (gross rating point/GRP) levels and expenditures for each medium in each market.**

- a) The Contractor will consider the make-up of the market and the media options available in each market. Using historical information, SQAD and market conditions, the Contractor will determine budgets for each market and each medium are determined along with the respective reach and frequency goals. Particular emphasis will be placed on the geography and the media options best suited for that geography at a given time.

**c. The Contractor is responsible for developing social media/new media strategies and deliverables (including mobile, interactive, Pandora) to complement advertising and earned media campaigns.**

- 1) The Contractor will consistently follow the trends, stay up-to-date on social media and bring the latest and greatest to MDHHS. This includes but is not limited to:
  - a) Social visualization
  - b) Big idea concepts to drive engagement
  - c) Gamification to engage the audience
  - d) Video
  - e) Interactive media (Mobile, tablet and desktop) –The Contractor will use many different targeting mechanisms to reach the target audience including:
    - Geotargeting
    - Behavioral targeting
    - Contextual targeting
- 2) With each targeting mechanism, the Contractor will blacklist sites with inappropriate content and keywords that are not appropriate to make sure the ads appear in an approved environment.
- 3) Ad units may include but are not limited to:
  - a) Standard banner – Standard size banner ads include Desktop (300x250, 728x90, 160x600) and Mobile/Tablet (300x250, 320x50, 300x50) with content delivered within many different websites.
  - b) Expandable video – A rich media format that launches a video upon the user hovering over a traditional size banner. The expandable video provides more ad space to share interactive experiences and information with the targeted audience.
  - c) Interstitial - This ad unit features full-page ads that appear before the destined webpage or between content pages on mobile or desktop. These units are typically 10x larger than the size of a traditional banner ad, which is more likely to capture the user’s attention.
  - d) Content marketing - This is a highly visible 300x600 interactive unit that can house a variety of content, such as blogs, videos, photo galleries and social integration all in one ad unit. This unit is designed to drive engagement with the user.
  - e) Page takeovers - These are “spectacular” ad units displayed for a 24-hour period on a publisher’s homepage, giving the advertiser 100% SOV on the homepage, as no other ads will be displayed during that 24-hour period.
  - f) Native advertising - Native advertising is content that seamlessly integrates with a site, as opposed to interrupting it.
  - g) Pandora and Spotify - Used to reach specific audiences. They are particularly effective in reaching younger generations. Both include companion banners and allow use of both video and audio.
  - h) Text campaigns - These include opt in campaigns where the Contractor delivers text messages regularly to a group of people.

**d. The Contractor must identify the resources that will be used to develop media plans, including Mediamark Research & Intelligence (MRI) or Simmons Market Research Bureau (SMRB), Scarborough or Media Audit, Nielsen, Arbitron, and Nielsen Net ratings.**

- 1) The Contractor has the following resources available:
  - a) Nielsen televisions ratings data for all Michigan markets
  - b) Nielsen Local People Meter reporting for the Detroit DMA (only market in Michigan where available)
  - c) Nielsen cable television ratings for all Michigan markets, including ratings for cable-only households and cable zones
  - d) Nielsen ethnic ratings for all Michigan markets where available
  - e) Nielsen @Plan
  - f) CEB Iconoculture
  - g) Arbitron radio ratings data for all Michigan markets
  - h) Arbitron ethnic ratings data
  - i) Local Scarborough Research
  - j) Spot Quotations & Data (SQAD)



- k) STRATA Buy Management System (SBMS)
- l) Google Ad Planner for Google display, Google search and YouTube
- m) Facebook targeting tool
- n) Twitter targeting tool
- o) Rate-tracking Contractor information

**e. The Contractor must inform MDHHS of and evaluate as requested any special or unique media placements or opportunities.**

- 1) The Contractor will meet regularly with vendors and media representatives in the state to keep up to date on the opportunities available to engage and reach the audience. The Contractor process in place for evaluating new opportunities:
  - a) The Contractor account team will fill out a research request for the media team.
  - b) The Contractor's media team will look into the opportunity and provide a recommendation on whether or not the opportunity makes sense for MDHHS.
  - c) The Contractor will then deliver the information to MDHHS via email or phone conversation.

**f. Once these Media Plans are reviewed and approved by the MDHHS, the Contractor will proceed with developing individual Media Buys based on the Media Plans. The Contractor is required to submit these Media Buys to the MDHHS for review and approval. The Contractor must prepare an outline of activities, timelines and deliverables based on a budget, for the Contractor's key personnel.**

Contractor's Buying Process:

- 1) The Contractor's account team will provide a media buy request to the Contractor media team. This document will detail the critical components of the buy including:
  - a) File name of approved plan
  - b) Budget detail
  - c) Timeline
  - d) Any "must haves," such as a specific amount of value add required for the grant
  - e) Blackballed programs
  - f) The desired value add - free spots, live reads, etc.
  - g) The media vehicle the Contractor is buying
- 2) The Contractor's media team will begin the buying process using the buying tool, SBMS/STRATA. The designated buyer will enter all campaign goals, including cost per point, daypart allocation, budget, etc.
- 3) The Contractor's media team will send avail requests to all applicable media representatives, including all of the pertinent information.
- 4) The negotiating process begins. Throughout the negotiation process, the Contractor will work toward gaining value add including free spots, on air interviews, taggables, etc.
- 5) Once the Contractor is satisfied that the best buy and value-add has been negotiated, the Contractor will prepare the final media buy for MDHHS.
  - a) Each buy will start with a summary page that outlines the media vehicle, the market, target audience, and the goals obtained in terms of budget, GRPs or spots, reach and frequency.
  - b) The second item will be a detailed list of the value-add negotiated on the buy by medium, by market, and by station or network.
  - c) Following the value add will be detailed spreadsheets produced from SBMS and STRATA. These spreadsheets will list by market every radio, television or cable network purchased and every spot and daypart included for each vehicle. In addition, they will be populated with the Contractor's projected ratings to derive the GRP, reach and frequency goals.
- 6) The Contractor will provide a timeline on getting everything out within the time-frame required.

**6. Place media messages and conduct advertising tracking surveys.**

**a. The Contractor is responsible to buy and negotiate radio and television air time, publication space, outdoor and transit space, direct mail services, and any other media used for advertising and promotions projects.**

- 1) The Contractor's negotiation will include up to three rounds of back and forth negotiation.
- 2) When conducting advertising tracking surveys, the Contractor will determine the appropriate sample size, and work with the researcher to develop and deploy the questionnaire via telephone. The Contractor will analyze the results to make sure the advertising is generating the awareness and action it is intended to generate. Where necessary, the Contractor



will tweak campaigns. Throughout the campaign, the Contractor will continuously optimize to make sure the media is working as hard as possible.

- b. The Contractor is responsible for advertising placement, negotiation of matching spots, value-added, bonus, and other means to further advertising reach, as well as follow-up reporting to include invoice reconciliation, and audience delivery assessments with an objective of receiving plus or minus 10 percent of the Gross Rating Points (GRP) goal in the proposed media buy.**

The Contractor will utilize every cent of the media budget to leverage supplemental media weight with every buy. This includes but is not limited to additional TV spots, additional radio spots, extended or additional outdoor boards, interior bus panels, cable taggables, interviews on radio, additional interactive impressions, or value add on Pandora or Spotify.

Following each buy, the Contractor will import and match all invoices for accuracy. The Contractor will make sure the correct spots, the value add promised, the impressions, the click through rates, bonus spots, etc. were received. When GRPs are 10% lower than anticipated on any station, the Contractor will work with the station to negotiate make-goods and work with MDHHS to determine appropriate timing. When impressions and the click-through rates are under the amount expected, the Contractor will work with their digital vendors for additional impressions.

Following the execution of the buy, the Contractor will develop a detailed recap showing exactly how much was spent, the total value add and the impressions delivered by media vehicle.

- 1) The Contractor must negotiate make-good media-weight for any under-delivery to be scheduled during the next paid media flight or as agreed upon with the MDHHS Program Manager.**

- a) Television, radio and cable

Following each television, radio and cable campaign, the Contractor will conduct a post-buy analysis. Each invoice will be imported from the stations and uploaded to the Contractor's system. If the invoices do not match exactly, they will be kicked out of the system and flagged as a discrepancy. The Contractor will not enter invoices as "bottom line only," meaning the total cost is matched against the total buy cost. Once the Contractor has cleared up any discrepancies, the Contractor will determine how much, if any, make-good weight (based on under delivery) needs to be negotiated and will work with the MDHHS program manager and the station to make-up the spots.

- b) Print

Prior to processing print invoices, the Contractor will check tear sheets to make sure the ads ran properly. If the Contractor sees any issues with the ads, the Contractor will work with the publication to make sure they rerun the ad. The Contractor will work with the MDHHS Program Manager to determine the appropriate timing.

- c) Interactive

The Contractor will pull weekly reports and request screen grabs from their partners to make sure the campaigns are delivering the correct amount of impressions and click-through rates that meet or exceed industry standards. The Contractor will work with their vendors throughout the flight to add additional impressions and adjust the campaigns to deliver the goals within the current flight. The Contractor will continuously optimize to get the biggest impact for interactive campaigns.

- 2) It is anticipated that the Contractor will negotiate bonus media weight to supplement the media buys and a final report of the base buy plus the bonus weight delivered no later than 60 days after the media buy and bonus have aired. Return on Investment (ROI) for the bonus weight must be included in the report.**

- a) The Contractor's Media Director will work with each individual media vendor in the state.
- b) When vendors submit their proposals to the Contractor's Media Director, the Contractor's Media Director will evaluate each based on the cost of the spots and the bonus media weight the media vendor submits.
- c) For each buy, the Contractor's Media Director will work with the vendor through two to three rounds of revisions in order to secure the highest volume of bonus weight. Stations will be chosen to be included in the buy based on the overall value they provide, the ability to reach the target audience and the level of bonus weight they offer.
- d) Once the buy is developed, the Contractor will provide a report to the MDHHS including the number of spots and GRPs, along with a document detailing all of the bonus weight.
- e) Following the campaign, the Contractor will submit an additional report detailing the actual spots delivered, along with the bonus weight and the value of that bonus weight.

- 3) The Contractor must work to extend a budget by means of innovative ideas, creative partnerships and aggressive negotiation skills to leverage any funding that may be available for paid advertising.**

- c. Placement services include not only paid media but also value added media, Michigan Association of Broadcasters (MAB) media, Michigan Cable Telecommunications Association (MCTA) media and Michigan Press Association (MPA) media.**



**d. The Contractor must ship all radio and television dubs, with appropriate traffic instructions, to stations in time to meet program deadlines.**

- 1) The Contractor's process for trafficking materials to television stations and cable systems begins 3-5 days before a media buy is to begin running. If there is a holiday conflict, the Contractor may begin sooner.

Contractor's process for shipping dubs and distributing traffic instructions:

- a) Step 1: Occurs after all materials have been approved. The Contractor will complete all necessary paperwork for traffic instructions; dub orders and shipping instruction documents. These documents detail specifics such as:
- MDHHS name/program
  - Name of spot and its iscii code
  - Media markets where spot will run
  - Flight dates
  - Station name and call letters
  - Spot rotation percentage
  - Where and how the spot will be delivered to the station
- b) Step 2: The Contractor will place the traffic order with the dubbing & distribution company via email. The dub order will include the following information:
- MDHHS name/program
  - Name of spot and its tracking number
  - Flight dates
  - Station name and call letters
  - Format requested by station
  - Materials delivery due date and distribution method
- c) Step 3: The Contractor will deliver dubs to appropriate media outlets or other locations via electronic distribution or overnight mail if electronic delivery is not available.
- d) Step 4: The Contractor will provide a delivery confirmation note from the distribution company.

For radio, the Contractor will send the spots with the traffic instructions directly to the radio stations to avoid paying a distribution house

**7. Provide results/recaps after each media campaign and work with stations if any make-goods are necessary.**

**a. The Contractor must provide in-depth analysis and evaluation of all media vehicles (radio, television, newspaper, magazine, outdoor, direct mail, social media, etc.) available throughout the state as requested.**

- 1) Following completion of each media plan, the Contractor will provide a media recap presented in a PowerPoint deck. The recap includes the following information:
- a) Campaign overview including goals and objectives, target audience, strategy and tactics
  - b) Budget summary page including budget, value add, total value and impressions detailed by medium to show effectiveness of each media vehicle
  - c) Media tactics including one page for each individual media vehicle (radio, television, newspaper, outdoor, social media, mobile, interactive, etc.) detailing flight dates, rationale, dollars invested, value add and total impressions
  - d) Flowchart showing a snapshot of when all the media ran
  - e) Insights: Providing recommendations for moving forward
- 2) If spots are missed or GRPs aren't reached, the Contractor will make sure the stations, publications or vendors provide make-good and value added weight ensuring that MDHHS always gets more value for their dollars.

**b. The Contractor must conduct post-buy review on the placement of media and the effectiveness of media buys in terms of cost, reach, frequency, continuity, and message dispersion requirements, etc. The Contractor should use findings to refine current and future media plans. No later than two months following the end of each media buy, the Contractor must submit this post analysis report to the Program Manager.**

- 1) The Contractor will clearly detail all parameters when buys are set up in their system. Once the buys run, the Contractor will import the invoices into the system to match and make sure they ran correctly. If any discrepancies exist, the invoices will be kicked out and the Contractor will analyze in order to determine what did not run correctly. Immediately following the end of the buy, the Contractor's account team will provide a job closing and media recap request to the Contractor's media team. The Contractor's media team will make sure all invoices are in the system and have matched. For any that do not match, the Contractor's media team will work with the station for make-goods or credits as necessary. If any media did not deliver the GRPS negotiated, the Contractor's media team will work with the station to receive additional delivery,



either during the next flight or at an agreed upon time with MDHHS. Once all invoices are reconciled, the Contractor will provide a post analysis report to MDHHS.

- 2) For digital, the Contractor will request a final recap from the vendor detailing impressions purchased vs. impressions delivered, clicks to website and click through rate. If negotiated impressions are not delivered, the Contractor will work with the vendor to make up these impressions or take a credit.

## **B. Clearinghouse Services**

**The 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 must have the capability to accommodate phone volumes of up to 5,000 minutes of call time per month, up to 600 packages shipped per month, warehouse space up to 10,000 cubic feet and up to 5 toll-free phone lines.**

- a. The Contractor will use the subcontractor identified in Section 3.6.C of the Contract for Clearinghouse services. The Contractor's phone system can handle 5,000 minutes per month and more. The Contractor is capable of shipping 12,000 packages per month or more. The Contractor has approximately 11,000 cubic feet of warehouse space available to MDHHS and has the ability to expand as needed. The Contractor will provide six toll-free phone lines and will add additional lines as needed.

**2. The Contractor must maintain call center hours for live operator responses Monday through Friday, 8:00am to 5:00pm EST for call center and mailing operations.**

- a. The Contractor will provide a 24-hour Interactive Voice Response System, utilizing Comcast/Polycom equipment.
- b. The Contractor's CSR agents will assist callers with orders, questions, referrals and general information. The Contractor will provide shipping services through UPS (United Parcel Service), utilizing the UPS World Ship Program. A UPS driver will pick up packages daily from the Contractor's location. The Contractor will also use USPS (United States Postal Services) for small letter size orders and large bulk mailings. The Contractor will always check for the most effective method prior to shipping orders.

**3. The Contractor must have 24 hour Interactive Voice Response (IVR or electronic)/ Customer Service Representative (CSR) support and publications distribution services for five toll-free numbers in the following topic areas:**

- a. Cancer
- b. Healthy Lifestyles
- c. General (Primarily used for abstinence material, but also for special programs as needed)
- d. General (Used for special media campaigns i.e. West Niles Virus and other miscellaneous categories)
- e. Immunization

**There is no minimum order requirement. Orders will vary in size (e.g. 1 brochure or 500).**

- a. The Contractor will use their Comcast/Polycom equipment, telecommunications services, and customer service representatives.

**4. Telecommunication capabilities must meet MDHHS performance compliance criteria as follows:**

- a. Less than one percent (1%) ring busy rate.
- b. Less than three percent (3%) abandoned call rate.
- c. Average hold time of less than 30 seconds per call.

**5. The IVR must have a screening mechanism which allows callers to select standard promotional materials. Callers must also be able to opt to speak to a customer service representative (CSR) during business hours or leave order information for transcript by CSR.**

- a. The Contractor's customer service representatives will provide support to callers with questions, comments or concerns regarding all of the promotional publications that the Contractor distributes, along with information on publications that are no longer being printed or that are available online.

**6. The Contractor's IVR system must provide sufficient capacity to handle wide fluctuations in volume.**

- a. The Contractor will provide a dedicated T-1 line when needed, which will handle up to 18,000 calls in one month. The Contractor has a Comcast hosted broad-soft Platform, which means the calls are being hosted and run through Comcast's data center. With an average call being three minutes, the Contractor can receive more than 87,360 calls per month. The Contractor will always have the option to add to Contractor's license with Comcast to increase Contractor's capacity, as well as add more employees if needed. The Contractor will have dedicated call center employees, plus additional support staff who will



be equipped with a separate line on their phone. If, at any given time, all of the call center employees are taking calls, it trumps to the next available employee. All employees will be completely trained and will be available during the call center hours identified in Section 1.1.B.2a.

- 7. The Contractor must be able to make any necessary corrections to the mailing address, when notified by their shipping system of an incorrect address.**
  - a. The Contractor's shipping systems will alert the Contractor of any incorrect addresses. The Contractor will contact the caller if the address given is identified as incorrect to obtain the correct address and ensure the order will be shipped to a valid address.
- 8. The Contractor's IVR system must allow for both touch-tone and rotary/pulse phones and have Telecommunications device for the deaf (TDD) capabilities.**
- 9. The Contractor's Customer Service Representatives must provide the following services:**
  - a. Assist customers with questions, comments or concerns regarding the promotion publications that are available.
  - b. Direct callers, as necessary, to their local health departments and other appropriate agencies, and provide the phone number for their area from referral lists provided by MDHHS.
  - c. Direct calls regarding immunization forms to the appropriate program area within MDHHS.
  - d. Provide callers with contact numbers for the Breast and Cervical Cancer Control Program in their area.
  - e. Provide callers with locations and phone numbers for Emergency Medical Services training programs.
  - f. Assist schools, health care professionals, non-profit organizations and individuals organizing community health fairs, and others, with suggestions for available and appropriate publications.
  - g. Assist clinics and health care professionals inquiring about Informed Consent Concerns or questions and direct them to appropriate resources as necessary.
  - h. Provide callers with domestic violence shelter phone numbers for their area.
  - i. Screen and forward input received from callers to the MDHHS Communications Staff. This information may include comments, questions and other general concerns.
  - j. Be experienced and knowledgeable with regard to these services and the additional requirements of the MDHHS Health Promotions Clearinghouse.
  - 1) The Contractor will provide CSR agents with a current MDHHS Clearinghouse Manual that will give easy to access information and resources such as:
    - a) Information on current publications available at the MDHHS Clearinghouse, including resources that are available for digital download and instructions to find them.
    - b) Phone numbers and locations of local health departments and other local agencies, as provided by MDHHS. Referral numbers will include those for Health and Financial Assistance Help Lines, Abuse Hotlines, Food Assistance Programs, Tobacco Cessation Programs, local Children's Special Health Care Services Offices and Public Health Insurance Programs, etc.
    - c) Health Department & Immunization Clinic phone numbers and contact information with directions to find official immunization records online.
    - d) Phone numbers to the Breast & Cervical Cancer Navigation Program's coordination agencies for each resident's county.
    - e) Locations and phone numbers for Emergency Medical Services training programs, including Mental Health First Aid Training Call Center Contacts.
    - f) Information and suggestions on current publications available at the MDHHS Clearinghouse to assist schools, health care professionals, nonprofit organizations and individuals organizing community health fairs and others.
    - g) Information and resources regarding Informed Consent concerns to assist clinics and health care professionals.
    - h) Referral phone numbers for domestic violence shelters based on location.
    - i) Department of Health & Human Services contact information.
    - j) The Contractor will stay in constant contact with the staff at MDHHS and share with them any concerns, questions or comments residents may have. The Contractor will continually update Contractor's information and knowledge of resources available for Michigan residents. The Contractor's Clearinghouse Manager will provide CSR agents with ongoing training and resource material when it is available and appropriate.
- 10. The Contractor must allow for online ordering and must hold all orders processed and the data collected on a secure server. The data collected consists of only the customer's name, address, and telephone number.**
- 11. The Contractor must have on-line access available for MDHHS Communications staff that includes detailed reporting of order activity and stock levels in real time 24/7 and the ability to view and print detail on demand.**
- 12. The Contractor must ensure for backorder publications, a mail or email notice be sent to the customer and all orders filled within 24 hours upon receipt of new inventory.**
- 13. The Contractor must manage the materials/publications, and notify MDHHS via email within 24 hours if something needs to be restocked, so that MDHHS can have them reprinted.**



- a. The Contractor will monitor all inventory levels via a trigger system.

#### 14. Contract Activities That Will Include Information Technology Related Services

The links below provide information on the State's Enterprise Information Technology (IT) policies, standards and procedures which includes security policy and procedures, eMichigan web development, and the State Unified Information Technology Environment (SUITE).

Contractors are advised that the State has methods, policies, standards and procedures that have been developed over the years. Contractors are expected to provide proposals that conform to State IT policies and standards. All services and products provided as a result of this RFP must comply with all applicable State IT policies and standards. Contractor is required to review all applicable links provided below and state compliance in their response.

All software and hardware items provided by the Contractor must run on and be compatible with the DTMB Standard IT Environment.

It is recognized that technology changes rapidly. The Contractor may request, in writing, a change in the standard environment, providing justification for the requested change and all costs associated with any change. The State's Project Manager must approve any changes, in writing, and DTMB, before work may proceed based on the changed environment.

#### Enterprise IT Policies, Standards and Procedures (PSP):

[http://michigan.gov/dtmb/0,4568,7-150-56355\\_56579\\_56755---,00.html](http://michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html)

#### Look and Feel Standard

All software items provided by the Contractor must be ADA complaint and adhere to the Look and Feel Standards

[www.michigan.gov/somlookandfeelstandards](http://www.michigan.gov/somlookandfeelstandards).

#### SUITE:

Includes standards for project management, systems engineering, and associated forms and templates – must be followed: <http://www.michigan.gov/suite>

### Additional Contract Activities

#### 1.2 Transition

##### Contractor Transition Responsibilities

**End of Contract Conversion Responsibility:** At Contract expiration or termination, the Contractor must work with State personnel and other contractors, if applicable, to convert or transition all Contract Activities, services and data into an acceptable format for uploading into or importing into a State owned database (also see Standard Contract Terms, Sections 25 and 32.e). The Contractor must work with the State and/or previous contractor during implementation of the transition plan to effect an orderly transition to the new contractor if applicable. The Contractor must allow as many personnel as practicable to attend meetings and receive hardcopy and/or electronic files (excel, PDF, etc.) to help maintain the continuity and consistency of the services required by the Contract. The Contractor agrees to receive reasonable detailed specifications for all Contract Activities previously provided to the State to properly provide the Contract Activities required under the Contract.

At the end of the contract period, the Contractor will provide excel files of databases, (MI Healthier Tomorrow both email and text) along with InDesign and Photoshop files of MDHHS materials requested by MDHHS.

## 2. Acceptance

### 2.1 Acceptance Criteria

The following criteria will be used by the MDHHS to determine Acceptance of the Contract Activities:

Before approving invoices for payment, the Program Manager will review deliverables, review project hours and team members' involvement in the project, and review invoices for pass through expenses to verify costs are accurate and do not reflect markups. The Program Manager will also ensure Contractor's invoices include detailed information for the project.

## 3. Staffing

### 3.1 Contractor Representative



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

The Contractor must notify the Contract Administrator at least 10 business days before removing or assigning a new Contractor Representative.

Contractor Representative:  
 Ellyn Davidson  
 Office Phone: (248) 341-2811  
 Cell Phone: (248) 854-2318  
 Email: [edavidson@brogan.com](mailto:edavidson@brogan.com)

**3.2 Customer Service Toll-Free Number**

The Contractor Representative must be available for calls during the hours of 8 a.m. to 5 p.m. EST. via the Toll-Free Number.

Contractor's Toll-Free Number:  
 (844) 346-1285

**3.3 Work Hours**

The Contractor must provide Contract Activities during the State’s normal working hours Monday – Friday 8 a.m. to 5 p.m. EST, and possible night and weekend hours depending on the requirements of the project.

**3.4 Key Personnel**

- A. The Contractor’s Key Personnel are directly responsible for the day-to-day operations of the Contract (“Key Personnel”). Key Personnel must be specifically assigned to the State account, be knowledgeable on the contractual requirements, and respond to State inquires within 24 hours.

The Contractor will have several members of the account team, creative and media team always available to MDHHS. The Senior Level Strategic Counsel/Firm Principal and Account Manager will always have their cell phones on and will answer phone calls from MDHHS at any time. If for some reason the Senior Level Strategic Counsel/Firm Principal and Account Manager are not available, they will respond to MDHHS as promptly as possible, typically within a few hours.

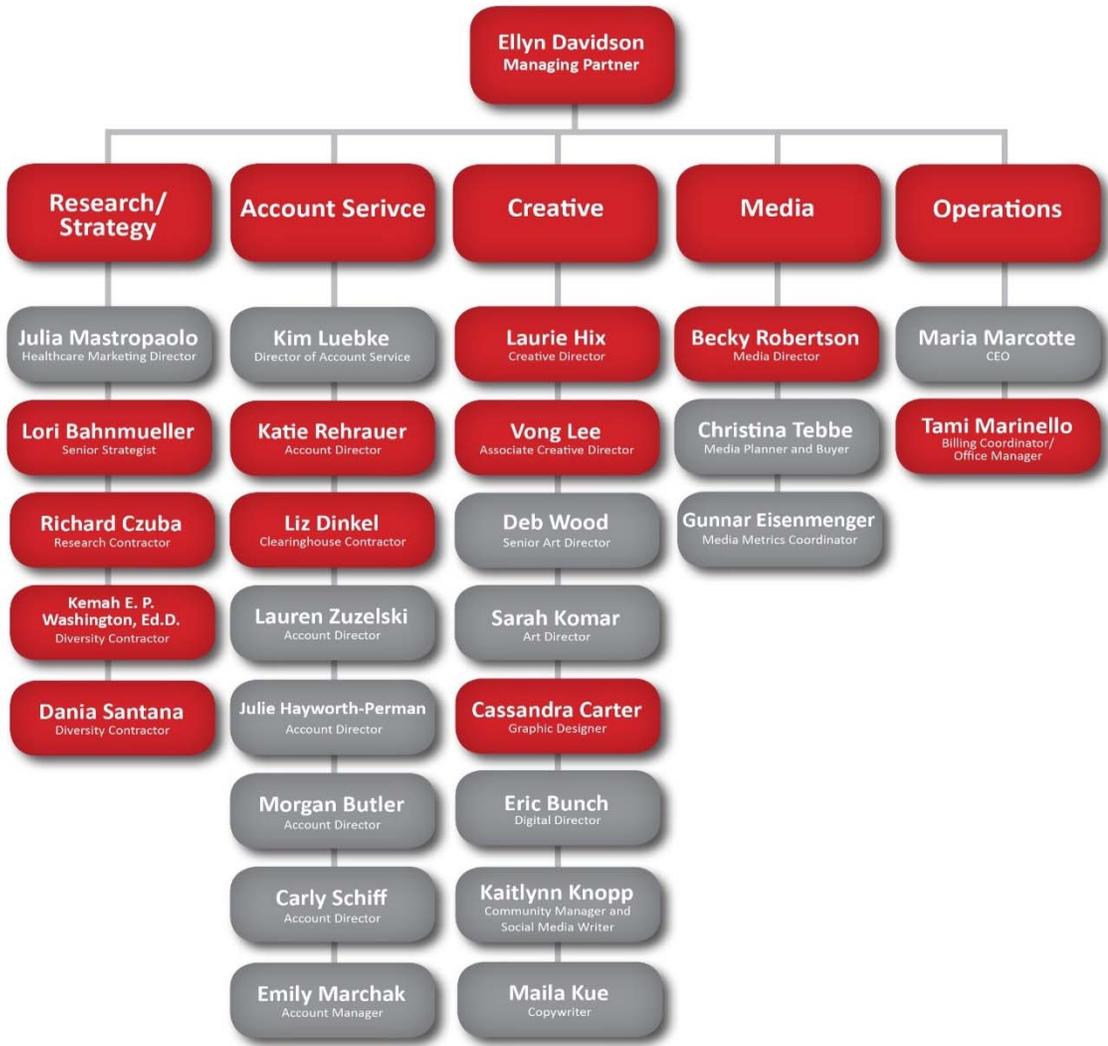
Key Personnel Name	Title	Detailed Description of Role(s) and Responsibilities assigned for this Contract	Physical Location during Contract Performance (City, State)	Full-Time (FT) or Part-Time (PT) Employee
Ellyn Davidson	Senior Level Strategic Counsel / Firm Principal	Ellyn will oversee the MDHHS account, working with strategy, account, media and creative to make sure everything runs smoothly.	Birmingham, Michigan	FT
Katie Rehrauer	Account Manager	Katie will lead daily operations of the account, helping to develop the strategy and making sure every project is on time and on budget. She will work with the media team to make sure media is moving the needle and getting the desired results.	Birmingham, Michigan	FT
Laurie Hix	Creative / Art Director and Copywriter	Laurie will oversee the creative product, in addition to developing concepts. She will work with her team of art directors and copywriters to develop a minimum of 3 concepts for every program.	Birmingham, Michigan	FT
Becky Robertson	Media Coordinator	Becky will work with her team to develop all media plans, determine schedules and buys, negotiate costs and make goods, and make media recommendations. She will also oversee all analysis.	Birmingham, Michigan	FT
Lori Bahnmueller	Senior Strategist	Lori will work with the account and creative teams looking at research and guiding the strategy of new programs.	Birmingham, Michigan	FT



Vong Lee	Associate Creative Director	Vong will be the lead art director on print, digital and television creative work.	Birmingham, Michigan	FT
Cassandra Carter	Graphic designer	Cassandra will work on art direction and will guide the team on cultural diversity.	Morrisville, North Carolina	FT
Tamra Marinello	Billing Coordinator	Tami will enter and produce invoices, pulling back-up invoices to match actuals. She will also enter all media vendor and production vendor invoices and make sure they are paid on time.	Birmingham, Michigan	FT
Richard Czuba	Researcher	Richard will conduct research, including focus groups, phone surveys and any other research methodologies needed.	Lansing, Michigan	Subcontractor
Liz Dinkel	Clearinghouse Manager	Liz will manage the clearinghouse operations	Holt, Michigan	Subcontractor

- B. **The State has the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, introduce the individual to the State’s Program Manager, and provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. The State may require a 30-calendar day training period for replacement personnel.**
- C. **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.**
- D. **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”):**
  - 1. **For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the credit amount will be \$25,000.00 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.**
  - 2. **If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 calendar days, in addition to the \$25,000.00 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 \$25,000.00 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 \$50,000.00 per individual.**
- E. **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.**

3.5 Organizational Chart



3.6 Disclosure of Subcontractors

A. Situations may arise where the Contractor may not possess the experience and expertise necessary to effectively carry out a project. MDHHS expects that, in those instances, the Contractor will propose, or the Contractor and MDHHS will jointly identify, subcontractors as needed to creatively develop and oversee production of certain special programs or projects.

The Contractor must select Subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract. Any subcontractor must be agreed to by the State and an amendment to the Contract is required via Contract Change Notice. See Standard Contract Terms Sections 10 Subcontracting and 53 Entire Contract and Modification.

B. If the Contractor intends to utilize sub-contractors, the Contractor must disclose the following:

1. The legal business name; address; telephone number; a description of sub-contractor’s organization and the services it will provide; and information concerning sub-contractor’s ability to provide the Contract Activities.

C. Subcontractors

- 1. Glengariff Group, Inc.  
3815 W St Joseph Highway, Suite A103  
Lansing, MI 48917  
Phone: (773) 988-1320

Services:



The Glengariff Group, Inc. will handle all survey and focus groups research services. For survey research, the Glengariff Group will conduct all live operator telephone survey work, including creation of the survey instrument, pulling an accurate randomized sample of the target population, conducting live operator telephone surveys, preparing the survey report that includes methodology, key findings, aggregate survey results, a cross-tabulation report and strategic recommendations as required. Glengariff Group will present these findings to MDHHS via a telephone call, go-to meeting or in-person.

For focus groups, the Glengariff Group will oversee recruitment of randomized respondents for inclusion in the groups, create a standardized protocol with MDHHS approval, work with focus group facilities, moderate all necessary focus groups and provide analysis and key findings from the focus groups.

2. R. A. Dinkel & Associates, Inc.  
4641 Willoughby Road  
Holt, MI 48842  
Phone: (517) 699-7000

Services:

Clearinghouse Services

3. Radish Creative Group  
326 East 4<sup>th</sup> Street  
Royal Oak, MI 48067

Services:

Television, video and radio production services, including casting, production, directing, shooting and post production services.

4. Dania Santana  
2655 Vega Ct  
Raleigh, NC 27614  
(646) 535-3540  
[daniasantana@gmail.com](mailto:daniasantana@gmail.com)

Services:

Dania Santana is Founder & CEO of Cool Communications, LLC. Dania will consult with contractor on providing culturally relevant messages targeting the Latino market.

5. Kemah Washington  
BRANDilly MC // Oak City Printing  
615 W. Hargett Street  
Raleigh, NC 27603  
(919) 926-0411  
[kemah@brandilly.com](mailto:kemah@brandilly.com)

Services:

Kemah Washington will consult with the contractor on providing culturally relevant messages targeting the African American market.

**4. Project Management**

**4.1 Project Plan**

**A. The Contractor must provide account management that is proactive and possesses the flexibility to change strategies as business conditions/situations warrant.**

1. If the workload increases, the Contractor will have additional members of the team step in to assist on all aspects of the account. The Contractor will provide a consistent level of service with the following account management processes.
  - Step 1: Discover
    - a. Account Manager will gather information from MDHHS regarding a new project, including: audience, messaging, proof points, budget, timeline and existing creative assets.



- b. Account Manager will establish a consistently organized MDHHS folder on the Contractor's internal shared drive.
- Step 2: Estimate
  - a. Account Manager will create job in Contractor's job, budget, and time tracking software.
  - b. Account Manager will determine project development cost and will create an estimate/expense authorization (EA) for MDHHS to review and sign before project begins.
  - c. Account Manager will save a copy of the signed EA.
- Step 3: Strategize
  - a. Account Manager will gather specs from media team for production (if applicable).
  - b. Account Manager will complete creative/media job starter with job number, deadlines, production specs and marketing strategy.
  - c. Account Manager will send creative/media job starter to MDHHS for review and approval.
- Step 4: Brief
  - a. Account Manager will ask Creative Director to assign creative team and Media Coordinator to assign media team.
  - b. Account Manager will schedule briefing with assigned team at least 24 hours in advance.
  - c. Account Manager will brief team in person and provides copies of brief and any other relevant information.
  - d. Following the brief, Account Manager will schedule internal date and will invite all team members, at least 2 days before MDHHS presentation so there is time for revisions
  - e. Account Manager will coordinate and schedule MDHHS presentation date.
- Step 5: Concept/Planning
  - a. Creative team concepts/media team will begin planning. Two weeks will be the recommended timeline for most creative concepts/media plans.
- Step 6: Review
  - a. Internal: Account Manager will meet with creative/media team to review concept/plan. The Creative Director and Media Director will see work before the internal. Feedback will be provided and revisions are made by creative and media team.
  - b. Account Manager will proofread all work and saves copies of final concept/plan that will be presented to MDHHS.
- Step 7: Present
  - a. The Creative Director and Media Director will determine the Contractor recommendation and will consider input from the Contractor's team in making that determination.
  - b. Contractor team will present to MDHHS
- Step 8: Refine
  - a. Account Manager will gather all changes from MDHHS  
If MDHHS has its own clients, all changes will be combined before returning to Contractor's creative and media teams to keep project efficiency.
  - b. Whenever there is new direction, the Account Manager will discuss with Creative Director first.
  - c. With all MDHHS feedback or questions, the Account Manager will (internally) copy the whole Contractor team on the job so everyone working on it stays in the loop.
    - 1) Account Manager can schedule an internal meeting to discuss revisions.
    - 2) Account Manager can mark-up creative concepts to facilitate communication with the Contractor team.
    - 3) Account Manager will fill out a media plan revision request form for detailed media changes.
    - 4) Account Manager will ensure all deadlines are set and understood by all.
  - d. Layouts, headlines, scripts, logos, copy, and all revisions unless minor, will be approved by the Creative Director prior to going to MDHHS. If Account Manager is unable to reach the Creative Director, then the associate creative director or senior creative will approve.
  - e. Account Manager will send Art Director a request for production quote as early as possible. Account Manager will also include request for stock photography costs (if applicable).
  - f. Account Manager will save all versions of revised creative/media plans that are sent to MDHHS using the v2, v3, v4 system.
- Step 9: Approval
  - a. Media - Account Manager will create an EA for all media costs and will send to MDHHS for review and sign off before media is placed. A copy of the signed EA will be saved.
  - b. Production - Account Manager and Art Director will finalize production cost and Account Manager will create an EA for MDHHS to review and sign before production. A copy of the signed EA will be saved.
  - c. Account Manager will initiate stock photography purchasing report form.
  - d. Account Manager will proofread all creative and sends to external proofreader for review. Any changes are discussed with the Creative Director/Copy Writer/Art Director and then reviewed with MDHHS for final approval.
  - e. Account Manager will route all creative internally to receive sign off from the Creative Director, Art Director, Copy Writer and web developer (if applicable).
  - f. Account Manager will save all creative, marked "FINAL".
  - g. Account Manager will obtain WRITTEN approval (via email or signed copy of creative/media plan) of all creative/media before it is produced/placed.
- Step 10: Produce/Place
  - a. Creative - Once creative and budget is approved by MDHHS, it will go into production.
    - 1) Account Manager will provide work authorization to Art Director.
    - 2) Account Manager will issues PO to Art Director for creative production.



- b. Media - Once media plan is approved by MDHHS, the media buying/placing process will begin.
  - 1) Account Manager will provide approval to buy or approval to place forms to media team.
- c. Account Manager will request invoice(s) from Contractor corporate support and will send to MDHHS for payment based on Contract requirements.
- d. Invoices will be saved to the T and entered into a MDHHS budget sheet.
- **Step 11: Traffic**
  - a. Account Manager will manage the traffic process and ensure delivery of creative assets to vendors and MDHHS.
    - 1) All broadcast (TV, radio) creative will be accompanied by MDHHS-approved traffic instructions.
    - 2) All print (newspaper, magazine) creative will be accompanied by an insertion order.
- **Step 12: Job Closing**
  - a. Account Manager will provide job closing request to Contractor's media team.
  - b. Account Manager will print job report in Contractor system, reconciles job and closes once all vendor invoices and MDHHS payment has been received.

**B. The Contractor shall not begin any work on any campaign before the MDHHS Program Manager has given formal approval and a work/expense authorization/purchase order has been issued and signed.**

1. Contractor's processes will ensure work does not begin without formal MDHHS approval and a work/expense authorization has been issued and signed.
  - a. Internal job starters are provided by the MDHHS. The job starters provide the basic information about the budget, the audience, the objective, etc. Once the Contractor has a job starter from MDHHS, it will initiate work to begin on a media plan or a creative component. In some cases, the internal forms will come in the form of an email or a phone conversation. Once the Contractor confirms the assignment, the Contractor will begin their True Results Process.
  - b. Expense authorizations: The Contractor will not spend any of MDHHS funds until complete sign off on the expense authorization has been received.
2. Approval of final concepts: The Contractor will require approval in writing from MDHHS of all concepts to finalize production.

**C. The Contractor must confer with the MDHHS, upon request of the Program Manager, to initiate services, requests, review materials, review progress, discuss problems, obtain advice and counsel, etc.**

1. The Contractor will always make time for a phone call or in person meeting to initiate services, requests, review materials, review progress, discuss problems or provide advice and counsel at the request of the Program Manager. If the Contractor and Program Manager cannot find an agreed upon time during working hours, the Contractor will work later or have a meeting earlier in the day.

**D. Upon failure to meet a predetermined deadline, the Contractor will immediately notify the Program Manager via phone call. The Contractor will follow up and provide an explanation in writing for such failure as soon as it is known and submit an updated project schedule to the MDHHS's Program Manager.**

**E. Prior to beginning work on a specific task or deliverable as agreed upon by the MDHHS Program Manager, the Contractor must provide the MDHHS Program Manager with a Project Plan and narrative for review. The Project Plan must include a breakdown of the work to be performed in Section 1.1 Contractor Requirements, identifying tasks, subtasks, proposed time line, staff assigned (including hours of effort and hourly rate), total anticipated costs, any associated assumptions. The Plan must encompass the entire life-cycle of each campaign while providing sufficient MDHHS approval timeframes from initial presentation through the production and delivery of material.**

The MDHHS Program Manager must approve the Project Plan before work may begin.

**F. The Contractor must carry out this Contract under the direction and control of the MDHHS Program Manager. As this Contract is not limited to the programs identified above, the Contractor will need to be able to balance existing programs with new projects/campaigns, media plans, and marketing plan changes.**

1. The Contractor's draft project plan below is for all campaigns. Each campaign might start on a different week. The Contractor will be able to accommodate multiple campaigns kicking off at the same time or at different times based on MDHHS needs. The Contractor will manage additional campaigns by adding resources from Contractor's skilled team of account directors, writers and art directors. The Contractor will be well equipped to add new/additional campaigns at a moment's notice, while ensuring that the same level of account service and creative will be provided to each new program.
2. The Contractor's Account Manager will be responsible for receiving any contract changes and reacting to any issues/changes. MDHHS can address any issues with the Contractor's Account Manager or Senior Level Strategic Counsel / Firm Principal. Once received, the Contractor's Account Manager will develop a plan for implementing the change or solving the issue. The Contractor's Account Manager will then work with the team to execute this plan. The



Contractor's Account Manager and Senior Level Strategic Counsel / Firm Principal will make sure the issues are handled efficiently and smoothly, and that MDHHS is provided what MDHHS needs to finalize the campaign.

Task #	Task	Staff (By Last Name)	Weeks																	
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	<b>Develop a marketing strategy for MDHHS programs</b>																			
1.1	Kick-off phone call with Brogan, MDHHS communications staff and the program area	Davidson, Rehrauer, Hix																		
1.2	Reviewing any past market research	Davidson, Bahnmueller, Rehrauer																		
1.3	CEB Iconoculture research and participating in a strategy call	Davidson, Bahnmueller, Rehrauer																		
1.4	Reviewing CDC and other third party research	Davidson, Bahnmueller, Rehrauer																		
1.5	Reviewing Behavioral Risk Factor Surveys (BRFS)	Davidson, Bahnmueller, Rehrauer																		
1.6	Review of existing creative and programs from other states, cities, etc.	Davidson, Bahnmueller, Rehrauer																		
1.7	Conduct a Brogan Talks to Women survey (if applicable)	Davidson, Bahnmueller, Rehrauer																		
1.8	Reviewing past media plan and analytics	Davidson, Rehrauer, Robertson																		
1.9	Analyzing Nielsen @Plan information for target audience media habits	Davidson, Rehrauer, Robertson																		
1.10	Recommending additional research if necessary	Davidson, Rehrauer																		



		Weeks																		
Task #	Task	Staff (By Last Name)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
2	<b>Identify and develop creative concepts for MDHHS programs</b>																			
2.1	Develop creative strategy planner	Rehrauer, Hix																		
2.2	Approval of creative strategy planner	MDHHS																		
2.3	Contractor internal kick-off	Davidson, Rehrauer, Bahnmueller, Hix, Carter, Lee																		
2.4	Contractor concepting and creative development	Hix, Carter, Lee																		
2.5	Presentation of three concepts	Davidson, Rehrauer, Hix																		
2.6	MDHHS feedback and revisions	Davidson, Rehrauer, Hix, Carter, Lee																		
2.7	Final campaign selection	MDHHS																		
3	<b>Conduct marketing research such as focus group testing, telephone or intercept surveys</b>																			
3.1	Identify target audiences	Davidson, Rehrauer, Bahnmueller, Robertson																		
3.2	Recruit necessary members of the community in specific target communities	Rehrauer, Czuba																		





Task #	Task	Staff (By Last Name)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
5.4	Develop a detailed media plan	Robertson																		
5.5	Develop a flow chart showing the media timing	Robertson																		
5.6	Plan presentation	Davidson, Rehrauer, Robertson																		
5.7	Revisions	Robertson																		
5.8	Plan approval	MDHHS																		
6	<b>Place media messages and conduct advertising tracking surveys</b>																			
6.1	Identify media markets and target audiences	Robertson																		
6.2	Negotiate rates and determine schedule	Robertson																		
6.3	Negotiate value add opportunities	Robertson																		
6.4	Place media	Robertson																		
6.5	Conduct advertising tracking survey	Robertson, Bahnmueller																		
6.6	Analyze results of advertising tracking survey	Robertson, Bahnmueller																		
7	<b>Provide results/recaps after each media campaign and work with stations if any make-goods are necessary</b>	[Start at week one, following the end of the flight]																		
7.1	Analyze media results	Robertson																		
7.2	Write media recap	Robertson																		





7. The Contractor must provide other reports as needed, such as a listing of publications by program, along with the inventory on hand, total number of orders for a specified amount of time, and average number of orders.

## 5. Ordering

### 5.1 Authorizing Document

The appropriate authorizing documents for the Contract will be a signed Blanket Purchase Order as well as an Agency issued Purchase Order.

## 6. Invoice and Payment

### 6.1 Invoice Requirements

- A. The Contractor must provide detailed invoices for services rendered which clearly outline the scope of billing. The Contractor must provide complete backup with Contractor invoices including signed estimates and all original copies of third-party invoices. The Contractor must also provide reconciliation of all projects approved for pre-billing within one day at their completion.
- B. All invoices submitted to the State must include: (a) date; (b) purchase order; (c) quantity; (d) itemized description of the Contract Activities; (e) unit price; (f) shipping cost (if any); and (g) total price.
- C. Invoices will be approved based upon completion of deliverables within a pre-approved Project Plan. Payments will be made upon approval of the MDHHS Program Manager. All invoices must reflect actual work done.
- D. The MDHHS shall reimburse the Contractor only for services and/or materials authorized by the MDHHS approved by the Program Manager and purchase order. Payment shall not exceed the amount approved by authorized estimate without submission and approval of a revised estimate.
- E. The Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for the expense at the State's current travel reimbursement rates. See [www.michigan.gov/dtmb](http://www.michigan.gov/dtmb) for current rates.
- F. The Contractor will not be reimbursed for personnel labor or other costs incurred in connection with client account services, meetings, commissionable advertising, or costs associated with membership in or attendance at industry conferences, seminars, etc. The Contractor will not be reimbursed for any overtime costs incurred by the Contractor or by any Subcontractor or supplier, unless such costs have been specifically identified in an approved work estimate.
- G. Expenses for packaging, handling, shipping, postage and freight, travel, meals, lodging and per diem paid to or on behalf of outside talent, and services acquired through the Contractor's internal facilities or parent or subsidiary organizations shall be billed at cost. Additionally, the following items must also be billed at cost: talent renewals, licensing fees, television and radio dubs, and satellite and communications uplinks.
- H. The Contractor must pass on all reductions in cost, such as volume and early payment discounts, to the MDHHS, in the fiscal year in which the originating expenses occurred.
- I. The Contractor must make timely payments to all subcontractors without waiting for MDHHS payment of corresponding invoices. The Contractor must maintain a line of credit for this purpose.
- J. The Contractor must allow 45 days from the date of receipt of accurate and complete invoices and backup for receipt of payment. In addition, the Contractor may provide details for invoice discounts for early payment of monthly billings.

## 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 Sections 1.1 Contractor Requirements and Section 4. Project Management.



**STATE OF MICHIGAN**  
Contract No. 071B6600077  
Creative Media and Advertising and Clearinghouse Services - MDHHS

**EXHIBIT C**  
**PRICING**

1. Pricing includes all costs, including but not limited to, any one-time or set-up charges, fees, and potential costs that Contractor may charge the State (e.g., shipping and handling, per piece pricing, and palletizing).
2. Quick Payment Terms:  
2NET15 on commission portion
3. The State can only commit funds in the fiscal year they are available; commitment of funds for future fiscal years is contingent upon enactment of legislative appropriations.

**A. Commission-based pricing:**

1. Contractor Fee

- A commission, shown as a percentage, will be used to compensate the Contractor. The fee is expected to compensate the Contractor for all management services related to the project, including creative design, account services, limited public relations, and media services.
- The State will not accept fees or commissions from subcontractors and suppliers, these Contractors shall be at a non-commissioned rate, no mark up.

2. Pricing

The Estimated Federal and State Fiscal Year 16 Funding for Advertising Campaigns annual budget is a summary of all anticipated media funding for the fiscal year. The Contractor is paid per campaign, not as a flat percentage of the total annual budget estimate. In practice, when the Contractor is given a campaign budget they must subtract their Contractor fee from the top, the remaining portion is the amount available for all advertising services and costs related to the campaign.

Campaign Budget – Contractor Fee % = Remaining Amount for Advertising Services

MDHHS shall reimburse the Contractor for costs incurred plus mark-up (commission) based on the contract rates, only for services and/or materials authorized by the State as evidenced by an expense authorization approved by the MDHHS Program Manager or their authorized representative. Payment shall not exceed the amount approved by authorized estimate without submission and approval of a revised estimate.

The Contractor shall pass on to MDHHS all reductions in cost, such as volume, media buying discounts, early payment discounts, and/or unplaced media, on each project.

The Contractor shall allow at least 45 days from the date of receipt of accurate and complete invoices and backup by MDHHS for receipt of payment.

**Contractor Fee: 7.6 %**



**B. Clearinghouse Services Pricing**

Monthly Contract pricing includes overhead and burden expenses. All subcontracted work must be passed through at “cost” and include no mark-up/commission of any kind.

Description	Estimated Number of Units	Monthly**	Annual	Total (3 years)
1. Warehouse Storage	Up to 800,000 publications (mostly 8.5 x 11 trifold brochures, flyers and posters)	\$7,500	\$90,000	\$270,000
2. Phone Center	1,000 calls monthly	\$4,000	\$48,000	\$144,000
3. Packaging*	59,000 orders monthly	\$2,000	\$24,000	\$72,000
4. Supplies	Cost of Shipping	\$5,000	\$60,000	\$180,000
	Supplies Per Month	\$3,000	\$36,000	\$108,000
5. Website Maintenance	Fee Per Month	\$500	\$6,000	\$18,000
Total		\$22,000	\$264,000	\$792,000

\*Packaging price proposed includes actual postage and shipping charges incurred up to \$2,000 per month.

\*\*Prices proposed in Exhibit C, Section C are for a maximum of the quantities and volumes stated herein.

**Notes:**

1. Warehouse Storage price includes storage of up to 10,000 cubic feet, receipt of incoming shipments, inventory management, on demand pick-up and delivery services.
2. Phone Center price includes consultation calls to MDHHS for further instructions as needed and returned phone calls to customers as well as custom call data reporting.
3. Packaging price includes picking, pulling, counting and packaging of orders, as well as packet assembly services as requested by MDHHS.
4. Supplies price includes boxes, mailing tubes, envelopes, and other packing materials as well as copying and printing services as requested by MDHHS. (i.e.; backorder notices, reports, etc.)



**STATE OF MICHIGAN  
STANDARD CONTRACT TERMS**

Contract No. 071B6600077

Creative Media and Advertising and Clearinghouse Services - MDHHS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and Brogan & Partners Advertising Consultancy, Inc. dba Brogan & Partners Convergence Marketing (“**Contractor**”), a Michigan corporation. This Contract is effective on 5/1/2016 (“**Effective Date**”), and unless terminated, expires on 4/30/2019.

This Contract may be renewed for up to two additional one year period(s). Renewal must be by written agreement of the parties and will automatically extend the Term of this Contract.]

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: Mary Ostrowski, Buyer DTMB Constitution Hall 525 W Allegan St 1 <sup>st</sup> FLR NE Lansing, MI 48909 <a href="mailto:ostrowskim@michigan.gov">ostrowskim@michigan.gov</a> (517) 284-7021 (p) (517) 335-0046 (f)	If to Contractor: Ellyn Davidson or Maria Marcotte 800 N. Old Woodward Avenue Birmingham, MI 48009 <a href="mailto:edavidson@brogan.com">edavidson@brogan.com</a> (248) 341-8211
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- 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**”):

State: Mary Ostrowski, Buyer DTMB Constitution Hall 525 W Allegan St 1 <sup>st</sup> FLR NE Lansing, MI 48909 <a href="mailto:ostrowskim@michigan.gov">ostrowskim@michigan.gov</a> (517) 284-7021 (p) (517) 335-0046 (f)	Contractor: Ellyn Davidson or Maria Marcotte 800 N. Old Woodward Avenue Birmingham, MI 48009 <a href="mailto:edavidson@brogan.com">edavidson@brogan.com</a> (248) 341-8211
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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”):

State: day to day Geralyn Lasher 201 Townsend Street Lansing, MI 48913 Email: <a href="mailto:lasherg@michigan.gov">lasherg@michigan.gov</a> Phone: (517) 241-2112	I Contractor: <i>Ellyn Davidson or Maria Marcotte</i> 800 N. Old Woodward Avenue Birmingham, MI 48009 <a href="mailto:edavidson@brogan.com">edavidson@brogan.com</a> (248) 341-8211
State: non-day to day Shirley Martin 320 So. Walnut Street Lansing, MI 48913 Email: <a href="mailto:martins@michigan.gov">martins@michigan.gov</a> Phone: (517) 241-2305	Contractor: <i>Ellyn Davidson or Maria Marcotte</i> 800 N. Old Woodward Avenue Birmingham, MI 48009 <a href="mailto:edavidson@brogan.com">edavidson@brogan.com</a> (248) 341-8211

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
<b>Commercial General Liability Insurance</b>	
<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 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 0.
<b>Automobile Liability Insurance</b>	
<u>Minimal Limits:</u> \$1,000,000 Per Occurrence	
<b>Workers' Compensation Insurance</b>	
<u>Minimal Limits:</u> Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
<b>Employers Liability Insurance</b>	
<u>Minimal Limits:</u> \$500,000 Each Accident \$500,000 Each Employee by Disease \$500,000 Aggregate Disease.	
<b>Professional Liability (Errors and Omissions) Insurance</b>	
<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 their policy cover defamation, invasion of privacy, infringement of copyright, and plagiarism.

If any of the required policies provide **claim-made** coverage, the Contractor must: (a) provide coverage with a retroactive date before the effective date of the contract or the beginning of Contract Activities; (b) maintain coverage and provide evidence of coverage for at least three (3) years after completion of the Contract Activities; and (c) if coverage is canceled or not renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, Contractor must purchase extended reporting coverage for a minimum of three (3) years after completion of work.



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.

This Section is not intended to and is not be construed in any manner as waiving, restricting or limiting the liability of either party for any obligations under this Contract (including any provisions hereof requiring Contractor to indemnify, defend and hold harmless the State).

- 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 MiDEAL members and other states (including governmental subdivisions and authorized entities). Administrative fee payments must be made by check payable to the State of Michigan and mailed to:

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

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

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

- 8. Extended Purchasing Program.** The Contract is extended to MiDEAL members. MiDEAL members include local units of government, school districts, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is available at [www.michigan.gov/mideal](http://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. Contractor hereby acknowledges that the State is and will be the sole and exclusive owner of all right, title, and interest in the Contract Activities and all associated intellectual property rights, if any. Such Contract Activities are works made for hire as defined in Section 101 of the Copyright Act of 1976. To the extent any Contract Activities and related intellectual property do not qualify as works made for hire under the Copyright Act, Contractor will, and hereby does, immediately on its creation, assign, transfer and otherwise convey to the State, irrevocably and in perpetuity, throughout the universe, all right, title and interest in and to the Contract Activities, including all intellectual property rights therein.
- 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. **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 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 180 calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.

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

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

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

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

- 27. Infringement Remedies.** If, in either party's opinion, any piece of equipment, software, commodity, or service supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment,



software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

28. **Limitation of Liability.** The State is not liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.
29. **Disclosure of Litigation, or Other Proceeding.** Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor, that arises during the term of the Contract, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or (2) a governmental or public entity's claim or written allegation of fraud; or (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract.
30. **State Data.** All data and information provided to Contractor by or on behalf of the State, and all data and information derived therefrom, is the exclusive property of the State ("**State Data**"); this definition is to be construed as broadly as possible. Upon request, Contractor must provide to the State, or a third party designated by the State, all State Data within 10 calendar days of the request and in the format requested by the State. Contractor will assume all costs incurred in compiling and supplying State Data. No State Data may be used for any marketing purposes.
31. **RESERVE**
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. **RESERVE**

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 4 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. **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**").