# STATE OF MICHIGAN
# ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget
525 W. Allegan, Lansing MI 48913
P.O. Box 30026, Lansing, MI 48909

## NOTICE OF CONTRACT

NOTICE OF CONTRACT NO. **071B6600102**
between
THE STATE OF MICHIGAN
and

| CONTRACTOR | |
|---|---|
| | Pricewaterhouse Coopers, LLP |
| | 1000 Louisiana Street |
| | Houston, TX 77002 |
| | Todd Hoffman |
| | 917-664-6188 |
| | Todd.hoffman@pwc.com |
| | 8324 |

| STATE | | | |
|---|---|---|---|
| | Program Manager | Jim Willems | DTMB |
| | | 517-335-2109 | |
| | | willemsj@michigan.gov | |
| | Contract Administrator | Jillian Yeates | DTMB |
| | | 517-284-7019 | |
| | | yeatesj@michigan.gov | |

| CONTRACT SUMMARY | | | |
|---|---|---|---|
| **DESCRIPTION:** Employee Engagement Survey - Statewide | | | |
| **INITIAL EFFECTIVE DATE** | **INITIAL EXPIRATION DATE** | **INITIAL AVAILABLE OPTIONS** | **EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW** |
| September 19, 2016 | December 31, 2018 | 5, 1 Year | December 31, 2018 |
| **PAYMENT TERMS** | | **DELIVERY TIMEFRAME** | |
| NET 45 | | N/A | |
| **ALTERNATE PAYMENT OPTIONS** | | | **EXTENDED PURCHASING** |
| ☐ P-card ☐ Direct Voucher (DV) ☐ Other | | | ☒ Yes ☐ No |
| **MINIMUM DELIVERY REQUIREMENTS** | | | |
| N/A | | | |
| **MISCELLANEOUS INFORMATION** | | | |
| **THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #007116B0007895. Orders for delivery will be issued directly by Departments through the issuance of a Purchase Order Form.** | | | |
| **ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION** | | | **$481,942.00** |

## FOR THE CONTRACTOR:

**Pricewaterhouse Coopers, LLP**

**Authorized Agent Signature**

**Authorized Agent (Print or Type)**

**Date**

## FOR THE STATE:

**Signature**

**Tom Falik, Services Division Director**
**Name & Title**

**DTMB Procurement**
**Agency**

**Date**

# STATE OF MICHIGAN

## STANDARD CONTRACT TERMS

This STANDARD CONTRACT ("**Contract**") is agreed to between the State of Michigan (the "**State**") and Pricewaterhouse Coopers, LLP ("**Contractor**"), a Delaware limited liability partnership. This Contract is effective on September 19, 2016 ("**Effective Date**"), and unless terminated, expires on December 31, 2018.

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

The parties agree as follows:

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

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

   Contractor must: (a) perform the Contract Activities in a timely, professional, safe, and workmanlike manner consistent with standards in the trade, profession, or industry; (b) meet or exceed the material performance and operational standards, and specifications of the Statement of Work (SOW); (c) provide all Contract Activities in good quality, with no material defects in accordance with the warranties stated herein; (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; and (j) comply with all State physical and IT security policies and standards which will be made available upon request.

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

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

| If to State: | If to Contractor: |
|---|---|
| *Jillian Yeates*<br>*DTMB Procurement*<br>*Constitution Hall*<br>*525 W. Allegan, 1st Floor*<br>*Lansing, MI 48913*<br>YeatesJ*@michigan.gov*<br>*(517) 284-7019* | *Todd Hoffman*<br>*Partner*<br>*1000 Louisiana Street*<br>*Houston, TX 77002*<br>*todd.hoffman@pwc.com*<br>*(917) 664-6188* |

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: | Contractor: |
|---|---|
| *Jillian Yeates*<br>*DTMB Procurement*<br>*Constitution Hall*<br>*525 W. Allegan, 1st Floor*<br>*Lansing, MI 48933*<br>*YeatesJ@michigan.gov*<br>*(517) 284-7019* | *Todd Hoffman*<br>*Partner*<br>*1000 Louisiana Street*<br>*Houston, TX 77002*<br>*todd.hoffman@pwc.com*<br>*(917) 664-6188* |

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: | Contractor: |
|---|---|
| *Jim Willems*<br>*DTMB*<br>*willemsj@michigan.gov*<br>*(517) 335-2109* | *Robert Tate* |

5. **Performance Guarantee**. Contractor must at all times have financial resources sufficient, in the reasonable opinion of the State, to ensure performance of the Contract and must provide proof upon request. The State may require a performance bond (as specified in Exhibit A) if, in the opinion of the State, it will ensure performance of the Contract.

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

| Required Limits | Additional Requirements |
|---|---|
| **Commercial General Liability Insurance** | |
| Minimal Limits:<br>$1,000,000 Each Occurrence Limit<br>$1,000,000 Personal & Advertising Injury Limit<br>$2,000,000 General Aggregate Limit | Contractor must add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds. |

| | |
|---|---|
| $2,000,000 Products/Completed Operations<br>Deductible Maximum:<br>$50,000 Each Occurrence | |
| **Automobile Liability Insurance** | |
| Minimal Limits:<br>$1,000,000 Per Occurrence | Contractor must have their policy: (1) add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds; and (2) include Hired and Non-Owned automobiles. |
| **Workers' Compensation Insurance** | |
| Minimal Limits:<br>Coverage according to applicable laws governing work activities. | Waiver of subrogation, except where waiver is prohibited by law. |
| **Employers Liability Insurance** | |
| Minimal Limits:<br>$500,000 Each Accident<br>$500,000 Each Employee by Disease<br>$500,000 Aggregate Disease. | |
| **Professional Liability (Errors and Omissions) Insurance** | |
| Minimal Limits:<br>$2,000,000 Per Claim<br>$2,000,000 Aggregate | Contractor must have their policy (1) cover information security and privacy liability, privacy notification costs, regulatory defense and penalties, and website media content liability; and (2) be renewed on an annual basis with terms that will comply with the requirements of this section. |

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

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

   Any SOW between Contractor and MiDEAL member will be independently negotiated by the parties. 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 applicable to Contractor as 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, upon full payment thereof, and except for any Contractor Technology contained therein, the State will be the sole and exclusive owner of all right, title, and interest in the Contract Activities which Contractor creates for delivery to the State ("Deliverables") and all associated intellectual property rights, if any. Except for Contractor Technology, such Deliverables are works made for hire as defined in Section 101 of the Copyright Act of 1976. Except for Contractor Technology, to the extent any Deliverables and related intellectual property do not qualify as works made for hire under the Copyright Act, Contractor will, and hereby does, immediately upon full payment thereof, assign, transfer

and otherwise convey to the State, irrevocably and in perpetuity, throughout the universe, all right, title and interest in and to the Deliverables, including all intellectual property rights therein, and grants to the State, the right to use, for the State's internal business purposes, any Contractor Technology included in the Deliverables in connection with its use of the Deliverables. Except for the foregoing license grant, Contractor or its licensors retain all rights in and to all Contractor Technology. "Contractor Technology" means all works of authorship, materials, information and other intellectual property created prior to or independently of the performance of the Services, or created by Contractor or its subcontractors as a tool for their use in performing the Services, plus any modifications or enhancements thereto and derivative works based thereon. Any pre-existing software applications of Contractor, whether embedded in a Deliverable or stand alone, will be independently licensed. The State may grant Contractor a license in work made for hire under the terms of the applicable SOW.

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 15 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. If the State requests replacement of a subcontractor, the State must provide written reasonable detail outlining the reasons for the replacement request. Unless the State has requested replacement of the subcontractor due to performance issues, the State agrees to negotiate an equitable adjustment in schedule or other terms that may be affected by the State's required replacement.

11. **Staffing.** The State's Contract Administrator may require Contractor to remove or reassign personnel by providing a notice to Contractor. If the State removes or reassigns personnel, the State must provide written reasonable detail outlining the reasons for the removal or reassignment request. Unless the State has requested removal or reassignment due to performance issues, the State agrees to negotiate an equitable adjustment in schedule or other terms that may be affected by the State's required removal or reassignment.

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, unless the Contractor's employee has refused to undergo the background check or share the results of such background check, in which case that individual will not be allowed to perform services under the contract. 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 or otherwise transfer any of its rights, or delegate or otherwise transfer any of its obligations or performance, under this Contract, in each case whether voluntarily, involuntarily, by operation of law or otherwise, without the State's prior written consent. However, Contractor may assign the Contract to an Affiliate so long as (a) Contractor provides the State thirty (30) days prior written notice of such assignment, (b) the Affiliate is adequately capitalized and can provide adequate assurances that the Affiliate can perform the Contract and applicable Statement of Work, and (c) a Change Notice will be executed by the parties if necessary under DTMB contracting policies. No delegation or

other transfer will relieve Contractor of any of its obligations or performance under this Contract. Any purported assignment, delegation, or transfer in violation of this **Section 13** is void**.**

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 do not meet the requirements set forth in the SOW, 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 acceptable Contract Activities to the State in accordance with the requirements of the SOW. 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. If the State cancels the order in whole or in part, the State shall be entitled to the cost of the Deliverable that was rejected, including any costs paid by the State for associated Services. Notwithstanding the foregoing provisions of this section, acceptance of this Contract activity should be deemed given by the State if the State has not delivered to Contractor a notice of deficiencies for such Contract activity prior to the expiration of any period of the State services thereof as set forth in this section.

17. **Reserved.**

18. **Reserved.**

***19.*** **Reserved.**

**20. Terms of Payment.** Invoices must conform to the requirements communicated from time-to-time by the State. All undisputed amounts are payable within 45 days of the State's receipt. Contractor may only charge for Contract Activities performed as specified in Exhibit A. Invoices must include an itemized statement of all charges. If payment for undisputed amounts is not received within forty-five (45) days of receipt of an invoice Contractor may suspend or terminate the Services upon fifteen (15) days' notice if not paid within such notice period. 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, provided that the State timely pays all undisputed amounts owing to Contractor. The State will notify Contractor of any dispute in writing, within a reasonable time, not to exceed 45 days of the State's receipt of invoice and agrees to work together with the Contractor through the dispute resolution process set forth herein. 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 the SOW, 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 within 5 business days detailing the suspension. Contractor must comply with the stop work order upon receipt. Within 30 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. Upon resumption the parties may execute a change order to address the impact of such suspension on fees, schedule, staffing, and scope.

**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) violates the State's security standards; (b) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; (c) breaches any of its material duties

or obligations; or (d) fails to cure a breach within 30 calendar days. 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, subject to the limitation of liability set forth in Section 29.

**24. Termination for Convenience.** The State may terminate this Contract in whole or in part without penalty and for any reason with 15 calendar days prior written notice, 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 for completed and accepted work and all reasonable costs, as determined by the State, for State approved Transition Responsibilities. Contractor may terminate the SOW if it is legally obligated to, by giving the State 30 calendar days prior written notice.

**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 60 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. 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 third party claims: (a) any infringement, misappropriation, or other violation of any intellectual property right or other right of any third party; and (b) any bodily injury, death, or damage to real or tangible personal property occurring to the extent 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).
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 the infringing deliverable.

Notwithstanding the preceding paragraph of this Section 28, Contractor will have no liability or obligation regarding infringement arising solely from (a) use of equipment, software, commodity, or service in a manner other than its intended use as reflected in the SOW, (b) Contractor's compliance with any designs, specifications, or instructions of the State, (c) modifications to equipment, software, commodity, or service by the State without the prior knowledge and approval of Contractor, or (d) the State's failure to use modifications or enhancements made available at no cost to the State by Contractor, provided Contractor has given the State written notice and such modification or enhancement will not negatively impact the equipment, software, commodity, or service.

**28. Limitation of Liability.**

a. Disclaimer of Damages. NEITHER PARTY WILL BE LIABLE, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE, OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS AND LOST BUSINESS OPPORTUNITIES.

b. Limitation of Liability. IN NO EVENT WILL EITHER PARTY'S AGGREGATE LIABILITY TO THE OTHER PARTY UNDER THIS CONTRACT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT, EXCEED THE MAXIMUM AMOUNT OF FEES SPECIFIED IN THE SOW.

c. Exceptions. Subsections a (Disclaimer of Damages) and b (Limitation of Liability) above, shall not apply to:

   i. Contractor's obligation to indemnify under **Section 26** of this Contract**;**
   ii. Contractor's obligations under **Section 31** of this Contract (State Data), subject to the special limitation set forth in Section 31 below; and
   iii. damages arising from either party's recklessness, bad faith, or intentional misconduct.

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

**30. Reserved.**

**31. State Data.**

a. Ownership. The State's data ("**State Data**," which will be treated by Contractor as Confidential Information) includes: (a) the State's data collected, used, processed, stored, or generated as the result of the Contract Activities; (b) personally identifiable information ("**PII**") collected, used, processed, stored, or generated as the result of the Contract Activities, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements here listed; and, (c) personal health information ("**PHI**") collected, used, processed, stored, or generated as the result of the Contract Activities, which is defined under the Health Insurance Portability and Accountability Act (HIPAA) and its related rules and regulations. State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State. This Section survives the termination of this Contract.

b. Contractor Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Contract Activities, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Contract Activities. Contractor must: (a) keep and maintain State Data in confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Contract Activities, such use

and disclosure being in accordance with this Contract, any applicable Statement of Work, and applicable law; and (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor's own purposes or for the benefit of anyone other than the State without the State's prior written consent. This Section survives the termination of this Contract.

c. Extraction of State Data. Contractor must, within five (5) business days of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Contractor), an extract of the State Data in the format specified by the State.

d. Backup and Recovery of State Data. Contractor's backup and recovery obligations will be set forth in Exhibit A.

e. Loss of Data. In the event of any act, error or omission, negligence, misconduct, or breach by Contractor that compromises or is suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor must, as applicable: (a) notify the State as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State; (c) in the case of PII or PHI, at the State's sole election, (i) notify the affected individuals who comprise the PII or PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within 5 calendar days after the State provides contact information for the affected individuals; or (ii) reimburse the State for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twenty-four (24) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and hold harmless the State for any and all third party claims (except for fines levied against the State), including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence; (g) be responsible for recreating lost State Data in the manner and on the schedule set by the State without charge to the State; and, (h) provide to the State a detailed plan within 10 calendar days of the occurrence describing the measures Contractor will undertake to prevent a future occurrence. Notification to affected individuals, as described above, must comply with applicable law, be written in plain language, and contain, at a minimum: name and contact information of Contractor's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Contractor has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Contractor. This Section survives the termination of this Contract. Notwithstanding anything to the contrary in this section, Contractor's aggregate liability under this section shall be the greater of (i) $1,000,000.00, or (ii) the value of the SOW.

**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 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. If Contractor notifies the State of a legal obligation to disclose confidential information, and the State provides written consent, the Contractor may disclose such confidential information to a third party. Further, the parties may disclose confidential information in accordance to the terms of the SOW.

c. Cooperation to Prevent Disclosure of Confidential Information. Each party must use reasonable 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 promptly 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 section and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.

d. Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the

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

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

**33. Data Privacy and Information Security**.

a. Undertaking by Contractor. Without limiting Contractor's obligation of confidentiality as further described, Contractor is responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) protect the security and confidentiality of the State Data; (b) protect against any anticipated threats or hazards to the security or integrity of the State Data; (c) protect against unauthorized disclosure, access to, or use of the State Data; (d) provide for the proper disposal of State Data; and (e) require that all employees, agents, and subcontractors of Contractor, if any, comply with all of the foregoing. In no case will the safeguards of Contractor's data privacy and information security program be less stringent than the safeguards used by the State, and Contractor must at all times comply with all applicable State IT policies and standards, which are available at http://www.michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html.

b. Right of Audit by the State. Without limiting any other audit rights of the State, the State has the right to review Contractor's data privacy and information security program prior to the commencement of Contract Activities and from time to time during the term of this Contract with 15 days prior written notice. During the providing of the Contract Activities, on an ongoing basis from time to time and without notice, the State, at its own expense, is entitled to perform, or to have performed, an on-site audit of Contractor's data privacy and information security program. In lieu of an on-site audit, upon request by the State, Contractor agrees to complete, within 60 calendar days of receipt, an audit questionnaire provided by the State regarding Contractor's data privacy and information security program. To the extent the State uses a third party auditor, the State will not use a direct competitor of the Contractor, unless it is unreasonable not to.

c. Audit Findings. With respect to State Data, Contractor must implement any required safeguards as identified by the State or by any audit of Contractor's data privacy and information security program.

d. State's Right to Termination for Deficiencies. The State reserves the right, at its sole election, to immediately terminate this Contract or a Statement of Work without limitation and without liability if the State determines that Contractor fails or has failed to meet its obligations under this Section.

**34. Reserved.**

**35. Reserved.**

**36. Records Maintenance, Inspection, Examination, and Audit.** The State or its designee may audit Contractor to verify compliance with this Contract. Contractor must retain, and provide to the State or its designee and the auditor general upon request, all financial and accounting records (other than Contractor's internal costs to provide services) 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 (other than Contractor's internal costs to provide services) 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 knowingly 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 signatory has the authority to enter into this Contract; (f) to Contractor's knowledge, 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 (g) to Contractor's knowledge, 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 material 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.
TO THE EXTENT PERMITTED BY LAW, THE CONTRACTOR EXPRESSLY DISCLAIMS ANY WARRANTIES NOT LISTED HEREIN.

**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.** The parties must comply with all federal, state and local laws, rules and regulations in connection with this Contract.

**40. Reserved**

**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 Contract terms (b) Exhibit A and (c) any other exhibits.

50. **Severability.** If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.

51. **Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.

52. **Survival.** The provisions of this Contract that impose continuing obligations, including warranties and representations, termination, transition, insurance coverage, indemnification, and confidentiality, will survive the expiration or termination of this Contract.

53. **Entire Contract and Modification.** This Contract is the entire agreement and replaces all previous agreements between the parties for the Contract Activities. This Contract may not be amended except by signed agreement between the parties (a "**Contract Change Notice**").

# STATE OF MICHIGAN

Contract No. 071B6600102
Employee Engagement Survey - Statewide

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

## I. PROJECT REQUEST

This is a Contract for an Employee Engagement Survey for the State of Michigan (State), Office of Good Government (OGG), other State Departments and MiDEAL members (authorized local units of government). The State seeks a Contractor who can support the reinvention of the State government by developing and deploying a statewide employee survey that measures employee engagement across the State and make recommendations for an effective action plan follow-up campaign based on the results.

## II. BACKGROUND

Research studies over the past two decades have demonstrated that greater levels of engagement are associated with better organizational performance. Engagement translates into positive results for an organization, thus reinforcing the value in measuring, monitoring, and improving employee engagement.

Because of the demonstrated relationship between performance and engagement, increasing employee engagement is a key focus in organizations of all sizes and all sectors. This survey is part of a broader program of government transformation that focuses on attracting and retaining the most capable and talented individuals; ensuring that we have an environment that encourages employee engagement, diversity, and inclusion; linking these measures to organizational outcomes; and insuring accountability for long-term improvement across all measures. The Contractor who both understands and has experience in measuring and addressing engagement and inclusion as part of large-scale transformation efforts will be integral to this effort.

Since 2012 the State of Michigan has conducted three employee engagement surveys, one about every 18 months and is planning a fourth survey in October 2016. These surveys may involve as many as 50,000 employees; and establish ongoing monitoring, links to performance data, and methods to increase engagement. Baseline metrics have been established in the first survey and we continue to compare and evaluate against the baseline.

## III. REQUIREMENTS

The Contractor must perform the following:

### 1. Work and Deliverables

#### A. Survey in General

The State of Michigan is seeking a contractor to:

i. Develop, host, administer, analyze, and report results of an online survey of employee engagement and inclusion, including appropriate workforce segmentation, across Michigan state government (approximately 50,000 employees);

a. Conduct a single administration of the survey; all 50,000 State of Michigan employees need to be invited to participate. Survey responses will be anonymous.

b. Send each participant an invitation via email with a survey link, ADA version provided.

c. There will be approximately 60 - 70 survey questions, not including demographic questions.

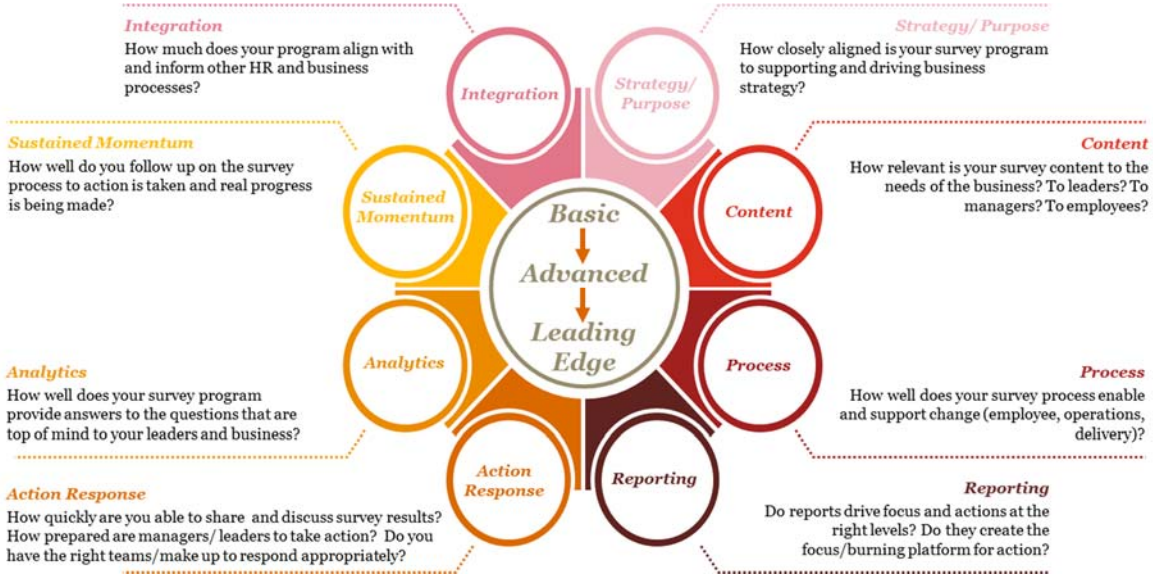
d. All communications, invites, the survey questionnaire itself, and all reports must be ADA compliant (see Section III.3, Contract Activities That Will Include IT Related Services).

ii. Provide online access to survey data for additional analysis and reporting, including customizable report capabilities.

iii. Provide executive, agency and management-level reports and recommendations regarding follow-up activities, links to performance metrics/business outcomes, and next steps.

iv. Overview of Contractor's Engagement Survey Approach:

v. To ensure effectively that historical efforts and successes are not only sustained but also enhanced, Contractor will facilitate a session with the core team and key stakeholders during the project kick-off not only to discuss lessons learned from prior survey cycles, but also to evolve and innovate the survey program and leading practices. Contractor will facilitate a conversation that covers all aspects of the survey program from alignment to organizational strategies through application of survey results to business processes. Survey Program Maturity Framework:




vi. Contractor will provide a Government benchmark and complimentary access to Contractor's Saratoga Human Capital Effectiveness Report which contains hundreds of metrics and benchmarks related to human capital.

vii. Contractor will provide the State with a reporting and action planning tool. Contractor's Survey Taking Action and Reporting Tool ("START") activates the action planning process by integrating action planning tools with survey results. As described in (v) Online Reporting Tool in Section I – Survey Results Reporting, this tool enables:

a. Administrators and other designated management or "super-users" to conduct unlimited querying. Ad hoc reports can be developed on demand, around the clock.
b. Integration of survey reports with clearly defined action planning.
c. Reporting and action planning all in one platform, available on all devices including smartphones and tablets.

**B. Survey Scope**

i. Engagement Survey

a. Contractor must perform a single administration of the Survey to all 50,000 State of Michigan employees who will be invited to participate. Current plan calls for administering the survey in the month of October 2016.

Contractor's system will configure the survey to fit the device.

b. Contractor must ensure the correct and simultaneous administration of the survey per the State employee groupings; the State project team will provide appropriate groupings of email addresses for employees corresponding to the implementation and that the capacity exists to support the volume of employees for the single phase survey.

c. Contractor must ensure that the survey responses will be anonymous.

   i. Contractor will not release information (in either a report or the online reporting tool) on any given demographic if there are fewer than a specified number of responses (typically 10 responses).

   ii. Contractor will have the ability to match individual participant responses to data that is either provided to us via self-select demographic and hierarchical questions in the survey itself or, if available, from State of Michigan system feeds.

   iii. Contractor's team will provide the State with a robust, clear, and effective communication plan, showing the precise steps and methods used to facilitate that employees will be comfortable that responses are protected and kept anonymous, and that the program is supported by leadership and building upon previous survey and action planning efforts.

   iv. Contractor will further reinforce anonymity by using "This survey is anonymous" text in emails and posters, and further refine the definition; distributing FAQs prior to survey to address common questions and include details on how the "Rule of 10" is implemented; educating Survey Champions, managers and supervisors in addressing anonymity concerns; and meeting with Survey Champions to discuss "Rule of 10" and how it is applied to reporting; hold role playing sessions to foster understanding of how demographic data is used

ii. Modality

a. Contractor must send an invitation via email to each participant that includes a survey link.

   Contractor's survey tool will attach the employee's survey results back to the employee's email address to ensure respondents take the survey only once and that their self-selected demographic information is aligned with their survey responses. Contractor's system will allow for multiple sessions (leave survey and come back to finish at a later time).

b. Contractor must provide an ADA version of the survey instrument and reports.

c. Contractor must work with the State's information technology staff to enable effective and secure access to and completion of the survey by all employees through the Internet (see Section III.3, Contract Activities That Will Include IT Related Services).

d. Employees will be directed to a site designated by the Contractor, outside of the Michigan.gov, MichiganAdvantage.org and Michigan.org network domains.

e. The survey will be web-based.

f. E-mail addresses (Michigan.gov, Michigan.org, ssa.gov, som.ad.state.mi.us, us.army.mil) will be provided using the appropriate format.

g. Respondents will be guaranteed their anonymity, and administration of the survey will need to reinforce that guarantee.

iii. Question-Length

The Survey must consist of approximately 60 - 70 survey questions, not including demographic questions.

iv. ADA Compliance

All communications, invites, the survey questionnaire itself, and all reports must be ADA compliant.

Contractor's survey platform must accommodate all ADA requirements including being screen reader compatible, keyboard accessible, navigation friendly and simply structured.

Contractor will coordinate testing and acceptance of the ADA survey version by working with designated State testers.

Contractor will deploy the survey only after receiving confirmation that the interface is compliant.

Contractor will work with the State project team to review current communications and make the proper adjustments to ensure the survey messages sent to employees are ADA compliant.

Contractor will provide an alternate ADA compliant report template for any employees that may require an alternate option for reports.

v. Security

Contractor must ensure security/protection of the data throughout all phases of administration, collection, analyses, reporting, and post-survey follow-up. The Contractor is responsible for all aspects of quality control and security--data collection, storage, transmission, and reporting; and for disaster recovery on their site (see Section III.3, Contract Activities That Will Include IT Related Services Standard Contract Terms Sections 31 through 33).

**C. Survey Design**

i. Questionnaire Design Process

a. Contractor must review the questionnaire and survey tool from previous years. The Contractor will leverage what worked well in the past and make recommendations for improvements. The link to the previous year's survey reports is:

http://www.michigan.gov/ogg/0,5880,7-338-71811---,00.html

b . The survey will leverage existing State of Michigan demographic items used in 2015 and will be revised with the State Project Team Director (State PTD).

c . Contractor will provide validated instruments (Likert scale) for online measures of employee engagement and the appropriate employee demographic and other workplace descriptors. Definition of constructs and data substantiating the psychometric aspects of the survey must be provided. The extent to which the survey and items have been used in other environments must also be included.

d. Contractor will engage in a structured, collaborative, and iterative process to customize the final survey questionnaire content so that it is reflective of the State's historical items, goals and objectives. Stakeholder interviews can be used to help reinforce the direction of the content and post-survey analysis.

e. Contractor will first run a series of statistical analyses (such as a factor analysis and correlations) on the 2015 Engagement Survey dataset in order to point out where opportunities to streamline the questionnaire exists as well as identify elements that differentiate engagement at the State of Michigan.

f. If needed, Contractor will draw upon Contractor's library of over 300 items.

g. Contractor will re-examine the Good Government pillars and relevant strategies, activities, and/or metrics that help advance the goals of Good Government i.e. performance management, service/process optimization, and change management – in addition to employee engagement.

h. Where appropriate, Contractor will incorporate a "survey within a survey" model that will allow the State to target specific questions to key sub-groups within the State of Michigan.

ii. Questionnaire Versions

There will be one version of the questionnaire, in English only and ADA accessible.

iii. Questionnaire Updates

Contractor must allow for a small subset of questions specific to 2-5 agencies on issues specific to that agency.

iv. Questionnaire Approval

a. The State PTD will approve the final questionnaire. The questionnaire will take into account enterprise-level strategies, activities, and/or metrics that would further the overall goals of Good Government.

b. The questionnaire content will be finalized within five iterations.

v. Open Ended Questions

a. The Contractor must allow for an open-ended "comments" section at the end of each survey, and develop an objective method for summarizing and presenting that information (e.g., content analysis), and provide agency-level access to their employees' comments. Comments must be organized to allow for efficient categorization that can be accessed (queried/filtered) via an online reporting portal. Contractor must also employ a text analytics tool for more detailed analysis of open ended responses.

b. The State will provide necessary information for the Contractor to customize a series of employee demographic questions that allow further analysis and understanding of responses.
c. For open text comments, Contractor will incorporate a self-theming methodology.

vi. Hierarchy

Contractor must work with the State PTD and State project team to update the 2015 organizational hierarchy for 2016. This involves documenting changes to group names, movement of groups, and elimination of groups. The State project team will coordinate points of contact from each agency who will update their respective hierarchies.

Contractor will host a webcast to educate Agency Survey Champions on the steps to follow in developing their hierarchies. Contractor will review the hierarchy changes, provide support during the process as questions arise, and ensure all Survey Champions are aware of the impact changes in the hierarchy will have on reporting.

vii. Employee Self Selection and Agency List Management

a. The survey must allow for employees to self-select from the organizational hierarchy provided by the State. The 2015 organizational hierarchy levels will be leveraged and will be revised collaboratively with the State PTD. Levels refer to the various hierarchical levels within each department or agency. L1 refers to the top or the department /agency level. L2 refers to the level just below the department or agency level. L3 refers to the level just below the L2 in the hierarchy of the department/agency, etc.

b. In order to determine if the correct Agency was selected by the employee, the Contractor will review said agency self-selections after the survey closes. Contractor will review the agency assignments provided by the State of Michigan and reassign agency designations where discrepancies exist. Reassignment of agency designations will be done at the L1 level and L2 levels. All other self-selected details regarding L3 levels and below will be removed for individuals whose L1 level or L2 level is reassigned.

viii. Branding

The State will provide branding/logos for the survey.

Contractor will work with the State to ensure the overall appearance (including any logos or branding desired), functionality, and branding meets and exceeds expectations. The State will have the final approval of the survey appearance and functionality prior to the survey launch.

**D. Segmentation/Survey Coverage**

i. Departments/Agencies

The Survey must include up to 30 State departments/ agencies. (See Appendix A for list.)

Contractor will work with the State to update the hierarchy accordingly to reflect any new agencies.

ii. Benchmarking

Contractor must provide comparative data within the overall Statewide and Agency report that includes two benchmark comparison groups, one that will allow comparison to other service industries or governmental entities, and another that allows comparison against other leading organizations in their respective industries. This must be provided in an electronic format, such as MS Word, Excel, PPT or PDF. Refer to the link to the previous year's survey reports for examples of how benchmarking was used here:

http://www.michigan.gov/ogg/0,5880,7-338-71811---,00.html

Contractor will include a Government benchmark incorporated into the reporting.

Contractor will offer the State complimentary access to Contractor's Saratoga Human Capital Effectiveness Report.

iii. Trending

Contractor must incorporate year-over-year data from the 2012, 2013 and 2015 engagement surveys as possible (depending on organizational and management changes) at the overall level where applicable and where possible at agency level as well.

**E. Testing and Communications**

i. Survey Technical Testing

Connectivity and functional testing must be conducted and reviewed by the State PTD (see Section III.3). Testing must include .org, .gov, .us and .mil populations. Retesting will be performed until an acceptable level of performance is attained.

Contractor will provide the State with an 'IT Checklist' covering steps and actions necessary to successfully deliver the survey as well as implement the online reporting and action planning tool.

Contractor's testing plan includes both the e-mail invitation and web survey access, covering a representative cross-section of the organization by location, and Internet browser usage. Contractor will provide a detailed testing log with criteria for testers to review and document. Testers will fill out the testing log during the testing period to indicate successful functionality or highlight any areas for Contractor to look into and update prior to survey launch.

ii. ADA Testing and Roll-out

Contractor must program a version of the web-enabled survey to be ADA compliant by ensuring it is usable with screen readers. Once programmed, Contractor will coordinate testing and acceptance with designated State testers.

Contractor will maintain a documented log to track outstanding questions and resolutions.

iii. Communication Plan Development

Contractor must develop an employee communication plan for survey invitations, reminders, and post-survey follow-up. The Contractor will work with State staff to draft those appropriate communications, both pre- and post-survey; and will recommend optimal methods for communicating findings to all employees.

Contractor will review the 2015 survey communications and adapt for the current survey process.

Example communication plan

| Activity | Channel | Vehicle | Purpose | Timing |
|---|---|---|---|---|
| Develop a survey theme | Organizational Leader/ Communications team | Multiple | To help communicate the purpose of the survey in a memorable way | 1 month prior to survey |
| Pre-survey notification email | Leader | Email | To communicate the Purpose of the survey | 2 weeks prior to survey |
| In-person announcement | Managers, supervisors within the organization | Team meeting | To reinforce the importance of the survey; to answer any questions | 1-2 weeks prior to survey |
| Additional promotions | Various | Newsletter, Intranet, YouTube, Posters, etc. | To communicate the impending launch of the survey | 0-2 weeks prior to survey |
| Talking points for managers/super visors | Leader/ Communications team | Email | To provide managers and supervisors a way to describe benefits of the survey | 2 weeks prior to survey through survey administration |
| Launch email | System-generated | Email | To provide directions for completion | Day of survey launch (following email from leader) |
| 2-3 Reminder emails | System-generated | Email | To remind employees who have not | Throughout the survey |

iv. Pre-Survey Letter

Pre-survey communications will be managed by the State PTD. Contractor will send out communications as appropriate during the fielding process.

v. Post-Survey Communications Roadmap

Contractor must work with the State PTD to finalize a post-survey roadmap, outlining the sequence, timing and dates of survey reports and communications messages.

**F. Demographic Data**

i. Employee Demographic Data

a. The State PTD will provide Contractor with a single consolidated State of Michigan employee list, including which department the employee works in, prior to survey launch.

   Upon receiving a preliminary sample employee list of email addresses and L1/L2 assignments, Contractor will review for cleanliness of email addresses and group names in comparison to the hierarchy.

b. Contractor must capture no more than 15-20 demographics. The list below is a sample of demographic groups
   1. Email
   2. Racial/Ethnic Group
   3. Age Range
   4. Gender
   5. Total Length of Service with the State of Michigan
   6. Highest Education Level Attained
   7. Employment Group for the State and separate for MEDC
   8. Agency Descriptors (agency and up to 6 lower hierarchical levels)
   9. Regions
   10. Primary work location

c. Responses to demographic questions are provided by participants.

ii. Data Aggregation/ Minimum Group Size

a. Contractor will not provide participant comments or responses that identify the individual who provided them to anyone at the State.

b. Minimum group reporting size will be 10 respondents.

**G. Survey Participation, Tracking and Reporting**

i. Response Rate Tracking and Reporting

Contractor must provide the State PTD, the State of Michigan project team and Agency Champions access to on-line response rates that can be segmented based on demographic data and agency/department rollups. Responses available in the online tool will include levels L1 (department/agency) level and L2 (the level in the hierarchy just below the department/agency level).

Once the survey launches, Contractor will notify the State of any email bounce-backs that occur and give the State the opportunity to address any issues with employees' email addresses. Contractor will provide the State with access to an online real-time response rate.

Contractor will send reminder notices to those that have not completed the survey. Reminder notices will also be sent to those supervisors/managers with low participation, allowing for targeted follow-up and to encourage participation.

ii. Help Desk Support

Contractor will provide respondent support via e-mail.

During survey execution, Contractor will provide 24/7 help desk support to all respondents via an e-mail support box. Contractor will also be available by phone and e-mail to support any needs or questions that may arise during the survey and reporting period.

Contractor will work with the State to finalize a list of 'Support Inbox Standards' which will be responses that Contractor's team can utilize when responding to inquiries we receive through the e-mail support inbox. For urgent questions received, Contractor will share with the State's team immediately

**H. Quality Review**

i. Template review meetings

Contractor must hold meetings with the core project team to review the survey process timeline, communication templates, and reporting templates.

Following these meetings, Contractor will incorporate any feedback from the State and then will require written sign-off from you.

ii. Mid-point debrief

Contractor must convene with the State PTD during the survey fielding period to review the overall project to date.

iii. Pre-delivery review

Contractor must review all final output with the State PTD. At least one week prior to presentation or delivery, Contractor will perform a thorough quality review of all hard-copy reports with the State PTD to ensure accuracy and proper content/messaging.

iv. Pre-delivery online results portal review

Contractor must review initial portal programming with the State PTD. One to two weeks prior to agency delivery, Contractor will work with the State PTD to ensure tables, functionality and general usability meets State requirements.

**I. Survey Results Reporting**

i. Overall Report

a. Contractor must analyze all of the survey data, summarize those findings and provide up to 100 detailed hard copy State-wide reports.
b. Contractor must provide up to 5 overall statewide reports to each agency including a Driver Matrix, i.e., correlation analysis and also include a Heat Map, and an overall Agency and Demographic Distribution Table.
c. Contractor and the State PTD will discuss optimization of report templates at kick-off meeting.
d. This report must include recommended follow-up actions and subsequent survey activities.
e. Contractor will also provide an Executive Report Booklet and brief showing streamlined results with a deeper analysis than offered in the overall report.
f. Contractor will propose a framework for the overall analysis of the effectiveness of agency Year 4 efforts, including progress on key metrics.

g. Once the survey data collection period is complete, Contractor will conduct analyses using several statistical techniques including frequency distributions, segmentation by demographics, driver analysis, and linkage to financial and operational data.

1. Frequency distributions – Contractor will take the responses to the item in the survey and compare them to data from prior years (where available) to point out shifts not only among the % favorable (agree) responses, but % neutral and % unfavorable responses.

2. Employee landscape map –Contractor's technique segments respondents into four categories (Champions, Captives, Disengaged, and Tenants) based on responses to the engagement items and likelihood of leaving the organization.

3. Heat map – Contractor will highlight high and low performance scores, displaying systemic and isolated issues by demographic group for both engagement and survey results. Contractor will summarize, filter, and organize issues by key demographics onto a single page. The heat map will serve as part of the reports for the State.

4. Driver matrix – The driver matrix will help see the attributes that are statistically driving overall engagement and turnover. Immediate opportunities to increase overall employee engagement and retention will emerge in the top right quadrant of the matrix.

5. Proprietary analyses – Contractor will provide an Executive Report booklet which will feature a summary of key results as well as deeper analysis so leaders can easily review and understand the most important takeaways from the survey, with compelling supporting data.

6. Long-term trending – Contractor will provide long-term trended results across the four years of the survey. Contractor will draw conclusions, share findings, and make recommendations based on the trajectory of the results over the course of the period from 2012 through 2016. Contractor will provide a framework for assessing the progress made by each Agency from 2015 to 2016, as well as progress since 2012.

ii. Agency Reports

Contractor must provide up to thirty (35) hard copy Agency reports to each agency, including a Heat Map (usable and readable as determined by agency), Demographic Distribution Table, and Driver Matrix. These will also be provided to the State PTD and State of Michigan Project Team electronically (see Deliverable 10.2 below).

iii. Manager Reports

Contractor must provide up to 800 manager level standardized electronic reports with appropriate comparisons across their organization.

Contractor will create an automated manager pdf report for each group within the organizational hierarchy on their specific response rate and demographic results assuming the minimum participation count of 10 completed surveys is met. Contractor will use the 2015 manager report template as an initial starting point and will make updates to the template to enhance the output.

iv. Executive Presentations
   a. Contractor must present results at the executive level and facilitate discussion of the statewide and agency survey report and metrics, including the relationship of the survey responses to various demographics, organizational units, and geography and subsequent decision-making for the State executive groups and individual agency executive staffs.
   b. Contractor will provide additional analyses to clarify issues relative to the State of Michigan (State) as a whole and the individual agency.
   c. Contractor will provide context via benchmarking data and best practices and highlight the strengths and opportunities for improvement uncovered in the analysis. Discuss concerns and agree on priority items for making the highest-impact improvements.
   d. Presentations must be provided in-person to the following groups:
      1. Directors meeting
      2. Executive steering committee
      3. Agency officers/champions

v. Online Reporting Tool
   a. Contractor must provide online reporting and analysis capabilities to the management of the State for additional analysis/breakdowns of the data by select organizational units. Contractor will provide preformatted reports for easy export, printing and viewing.
   b. Protection of our guarantee of anonymity is the responsibility of the Contractor and must be further supported by precluding the breakdown and analysis of group data comprised of less than ten (10) respondents.
   c. Online access of demographics and data will be provided for up to 825 users for a minimum of 18 months following the administration of the survey.
   d. The tool will allow for the automation, tracking and updating of agency action plans, action planning activities and provide the identification and documentation of best practices over time.
   e. Contractor must also host 4 training webcasts, which will be recorded for replay.

      The State will have access to START for an unlimited number of managers and leaders for the duration of our contract. Managers will have access to their specific survey results and action planning resources, while the core survey team and Survey Champions will have access to tracking manager action planning.

vi. Raw Survey Results Data

Contractor must provide raw survey results data to the State PTD upon request. This data will be provided with no identifiable demographic data. Contractor will provide response data at every point on the response scale i.e., if a 5-point scale is used providing the data responses at each point on the scale.

vii. Analytics Report

Contractor must provide the State PTD a statistical analysis report including descriptive statistics, correlations, regression and factor analysis at the item and demographic level. Contractor will also provide reports for reliability per survey theme using Cronbach's Alpha; Factor analysis; Histograms for every survey item; Frequency tables for each survey item, for each level on the 5-point Likert scale

viii. Electronic Reports

In addition to hard copy reports all reports will be available in an electronic format.

J. Post-Survey Activities

i. Follow-up Strategy

a. Contractor must provide consultation to the Good Government team regarding statewide strategy/planning for employee survey follow-up. Contractor must recommend strategy and approach to address major issues and items.

b. Contractor must provide linkage analysis between survey data and Agency scorecard metrics for reporting and follow-up activities.

c. Contractor must recommend follow-up actions and subsequent survey activities. Based on the results and comparisons with findings from other similar organizations, the contractor will recommend a series of interventions designed to positively impact employee engagement. Given the expected lag between intervention and impact, the contractor will recommend an appropriate schedule for follow-up administration, either in whole or in part.

d. Results interpretation guides – Documents with infographics and instructions to guide managers in properly interpreting and analyzing data to begin translating results into plans for action.

e. Leading practice libraries – Repositories of leading practice actions for managers to leverage in creating action plans to address various themes from the results of the survey.

ii. Lessons Learned

The Contractor must conduct a lessons learned session with stakeholders and identify how the survey roll out can be changed to be more efficient and effective.

**2. Training**

The Contractor must provide the training indicated below.

i. Reporting Tool Training

a. Contractor must administer training associated with using the online reporting tool for accessing demographic and survey data, tracking and updating of agency action plans, action planning activities and tracking best practices over time.

b. This training must minimally include the hosting of 4 training webcasts and accommodate up to 35 individuals per session.

ii. Action Plan Training

a. Contractor must propose, design and administer staff training on action planning as needed to address identified issues most effectively resolved via training.

b. This needs to include a minimum of 4 action plan training webcasts for Officers/Champions and Managers and must be able to accommodate up to 500 online attendees per session.

c. A recording of the training sessions and materials used will also be made available to all managers.

iii. Training Material

Contractor must provide documentation and training material.

**3. Contract Activities That Will Include IT 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).

All services and products provided must comply with all applicable State IT policies and standards.

All software and hardware items provided by the Contractor must run on and be compatible with the DTMB Standard IT Environment. Additionally, the State must be able to maintain software and other items produced as the result of the Contract.

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

**The State's security environment includes:**

- DTMB Single Login.
- DTMB provided SQL security database.
- Secured Socket Layers.
- SecureID (State Security Standard for external network access and high risk Web systems)

DTMB requires that its single - login security environment be used for all new client-server software development. Where software is being converted from an existing package, or a client-server application is being purchased, the security mechanism must be approved in writing by the State's Program Manager and DTMB Office of Enterprise Security.

**Look and Feel Standard**
All software items provided by the Contractor must be ADA compliant and adhere to the Look and Feel Standards www.michigan.gov/somlookandfeelstandards.

**ADA Compliance**
Contractor shall comply with and adhere to the Accessibility Standards of Section 508 of the Rehabilitation Act of 1973, including any more specific requirements set forth in an applicable Statement of Work. See DTMB Policy at http://www.michigan.gov/documents/dmb/1650.00_209567_7.pdf?20151026134621.

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

## IV. ACCEPTANCE

### 1. Final Acceptance

The Contractor must deliver to the State of Michigan the Deliverables set forth in this contract in the format specified in the Deliverables section. When final completion of deliverables has been achieved, the contractor may invoice for final payment.

## V. STAFFING

### 1. Contractor Representative

The Contractor must appoint a Project Manager specifically assigned to the State of Michigan in support of this contract.

Contractor's Project Manager: Talia Rozensher.

This Project Manager will provide status to the State PTD on a daily, weekly or as needed basis.

The Contractor must notify the Contract Administrator at least 14 calendar days before removing or assigning a new Project Manager.

### 2. Customer Support

a. The Contractor must provide personnel to readily handle questions or of handling concurrent users per the administration schedule in Sections III.1.A and B and provide for tracking of response rates during each administration period.

### 3. Work Hours

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

**4. Key Personnel**

a. The Contractor must appoint individuals who will be directly responsible for the day-to-day operations of the Contract ("Key Personnel"). Key Personnel must be specifically assigned to the State account, be knowledgeable on the contractual requirements, and respond to State inquires within 24 hours.

b. Contractor must provide a project team, a designated project manager, and a management structure (See Section 5. Organizational Chart) to work with the State personnel to deliver to deliver these results. The Contractor's project team will include all the necessary personnel to complete the deliverables described in this Contract.

Contractor's Project Manager:

| |
|---|
| Talia Rozensher |

Contractor's Project Team:

| Name | Role | Location | Functions |
|---|---|---|---|
| Todd Hoffman | Engagement Partner | Houston, TX | • Engagement oversight of project quality overall, timelines and budget<br>• Ensure that our services fully meet your expectations<br>• As the partner responsible for all State of Michigan projects, Todd will also identify linkages between the Engagement Survey and other activities with the State of Michigan as appropriate |
| Robert Tate | Project Director | San Jose, CA | • Engagement oversight of project quality overall<br>• Lead project architect covering overall program approach, survey design, reporting and analysis |
| Talia Rozensher | Project Manager | New York, NY | • Project oversight and subject matter expertise relating to the design and strategy of communications, questionnaire, and deliverables<br>• Manage the execution and deliverables of the project |
| JoiAnda Bruce | Project Specialist | McLean, VA | • Create and deploy the Web survey and online reporting<br>• Support day-to-day project coordination |

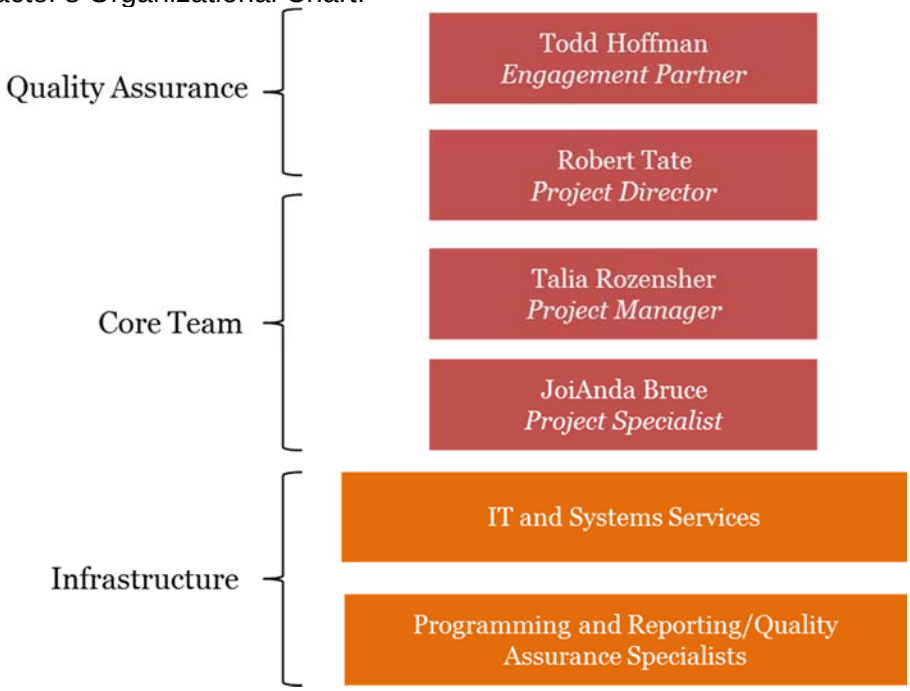
c. The State has the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, introduce the

individual to the State's Project Manager, and provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. The State may require a 30-calendar day training period for replacement personnel.

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

**5. Organizational Chart**

The Contractor's Organizational Chart:




**6. Disclosure of Subcontractors**

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

a. The legal business name; address; telephone number; a description of subcontractor's organization and the services it will provide; and information concerning subcontractor's ability to provide the Contract Activities.

b. The relationship of the subcontractor to the Contractor.

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

d. A complete description of the Contract Activities that will be performed or provided by the subcontractor.

e. The price of the subcontractor's work.

**7. Security/Confidentiality**

The Contractor will be subject to the agency security procedures, background checks, security forms, Non-Disclosure Agreements, etc. (also see Section III.3 and Standard Contract Terms, Sections 31 through 33).
The Contractor must: (a) ensure the security of State facilities, and (b) perform background checks,

## VI. PROJECT MANAGEMENT

**1. Project Plan**

a. Contractor must identify and develop a project work plan and how it will be managed. The project plan should identify items such as the required contact personnel; the date the project plan must be submitted to the State; project management process; project breakdown identifying sub-projects, tasks, and resources required; expected frequency and mechanisms for updates/progress reviews; process for addressing issues/changes; and individuals responsible for receiving/reacting to the requested information.
b. The Contractor will carry out this project under the direction and control of the State PTD. Within 30 calendar days of the Effective Date, the Contractor must submit a project plan to the State PTD for final approval. The plan must include: (a) the Contractor's organizational chart with names and title of personnel assigned to the project, which must align with the staffing stated in accepted proposals; and (b) the project breakdown showing sub-projects, tasks, and resources required.
c. The Contractor must clearly identify their requirements for online survey completion and work with the State to align their requirements with those of the State's to insure an efficient administration.

**2. Meetings**

a. Contractor must schedule status calls for 60 minutes on a weekly basis, or as needed. The project managers from both teams will be in communication with

what decisions need to be made prior to the status call by each team, using an issue and decision log maintained by Contractor. Contractor will provide an agenda prior to each scheduled status call and will provide a summary of meeting notes afterwards.

b. Additional ad-hoc calls/meetings may take place on an as needed basis.

c. These meetings will be facilitated by the Contractor's Project Manager.

**3. Reporting**

**a.** The Contractor must submit, to the State PTD or designated State Personnel, the Reports Described in Section III.1.I. Survey Results Reporting, In addition, the Contractor must also deliver to the State PTD the following written reports:

i. Project Team List,
ii. Employee Survey Project Plan,
iii. Employee Survey Key Milestones,
iv. Decisions Agreed To,
v. Open Decisions Tracker,
vi. Weekly Status Update and
vii. Support Inbox Standards.

These reports should be updated on a weekly basis as necessary.

## VII. ORDERING

### 1. Authorizing Document

The appropriate authorizing document for the Contract will be a State Purchase Order

## VIII. INVOICE AND PAYMENT

### 1. Invoice Requirements

Each Contractor invoice must show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to validate that the amounts invoiced comply with the terms of the Contract. All invoices submitted to the State must include: (a) date; (b) purchase order; (c) quantity; (d) description of the Contract Activities; (e) unit price; (f) shipping cost (if any); and (g) total price. Overtime, holiday pay, and travel expenses will not be paid.

### 2. Payment Methods

The State will make payment for Contract Activities after completion and acceptance of deliverables.

## Miscellaneous

**IX.** Contractor will perform the Services in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants. Accordingly, Contractor will not provide an audit or attest opinion or other form of assurance, and will not verify or audit any information provided to it. Contractor will not provide legal or advocacy services of any kind.

**X.** Contractor may retain its working papers, and such copies of the Deliverables to the extent necessary to evidence the Services and comply with its document retention policies or in accordance with applicable laws, rules, regulations, or Standards for Consulting Services established by the American Institute of Certified Public Accountants; additionally, Contractor may retain encrypted data backups maintained in confidentiality at a bonded 3rd party for up to one year, in accordance with the requirements of this Contractor.

# STATE OF MICHIGAN

Contract No. 071B6600102
Employee Engagement Survey - Statewide

**EXHIBIT B**
**RESERVED.**

# STATE OF MICHIGAN

Contract No. 071B6600102
Employee Engagement Survey - Statewide

## EXHIBIT C
## PRICING

1. The Contractor must provide a fixed-price deliverable for the Contract Activities.
2. Price must include 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).

| PRICING TABLE | | | | | | |
|---|---|---|---|---|---|---|
| **Work and Deliverables (as described in Exhibit A, Section III)** | **Yearly Estimated Hours to Complete (Itemize by Year 1 and Year 2)** | | **Hourly Rate** | **Yearly Total (Itemize by Year 1 and Year 2)** | | **Contract Total** |
| **Pre-Survey Activities** | Year 1 | Year 2* | | Year 1 | Year 2* | |
| **C. Survey Design** | 45 | 36 | $ 250.00 | $ 11,250.00 | $ 9,000.00 | $ 20,250.00 |
| **D. Segmentation/Survey Coverage** | Included in Survey Design | | | | | |
| **E. Testing and Communication** | 50 | 40 | $ 250.00 | $ 12,500.00 | $ 10,000.00 | $ 22,500.00 |
| **F. Demographic Data** | 95 | 80 | $ 165.00 | $ 15,675.00 | $ 13,200.00 | $ 28,875.00 |
| **H. Quality Review** | Included in Project Management | | | | | |
| **TOTAL FOR PRE-SURVEY ACTIVITIES:** | 190 | 156 | | $ 39,425.00 | $ 32,200.00 | $ 71,625.00 |
| **Survey Administration** | | | | | | |
| **A. Survey in General** | Included in various line items in this table | | | | | |
| **B. Survey Scope** | 175 | 150 | $ 165.00 | $ 28,875.00 | $ 24,750.00 | $ 53,625.00 |
| **G. Survey Participation, Tracking and Reporting** | 80 | 80 | $ 165.00 | $ 13,200.00 | $ 13,200.00 | $ 26,400.00 |
| **TOTAL FOR SURVEY ADMINISTRATION:** | 255 | 230 | | $ 42,075.00 | $ 37,950.00 | $ 80,025.00 |
| **Post Survey Activities** | | | | | | |
| **I. Survey Results Reporting** | 400 | 300 | $ 165.00 | $ 66,000.00 | $ 49,500.00 | $ 115,500.00 |
| **J. Post Survey Activities** | 150 | 150 | $ 250.00 | $ 37,500.00 | $ 37,500.00 | $ 75,000.00 |
| **2. Training** | Included in Post Survey Activities | | | | | |
| **TOTAL FOR POST SURVEY ACTIVITIES:** | 550 | 450 | | $ 103,500.00 | $ 87,000.00 | $ 190,500.00 |
| **Additional Activities (as described in Exhibit A)** | | | | | | |
| **VI. Project Management** | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **1. Project Plan** | 350 | 300 | $ 250.00 | $ 87,500.00 | $ 75,000.00 | $ 162,500.00 |
| **2. Meetings** | Included in Project Plan | | | | | |
| **Access to PwC's Saratoga Human Capital Effectiveness Report** | No charge ($14,500 value) | | | | | |
| **TOTAL FOR ADDITIONAL ACTIVITIES:** | 350 | 300 | | $ 87,500.00 | $ 75,000.00 | $ 162,500.00 |
| | | | | | | |
| **GRAND TOTAL:** | | | | $ 272,500.00 | $ 232,150.00 | $ 504,650.00 |

*Year two fees are estimates based on minimal changes to questions, reporting and overall process. Heavier discounts can be applied, should there be no changes to questions, reporting and overall process.

| | |
|---|---|
| Year 1 Discount | $ 12,262.00 |
| Year 2 Discount | $ 10,446.00 |
| Total Discount | $ 22,708.00 |
| **New Grand Total** | $ 481,942.00 |