



STATE OF MICHIGAN ENTERPRISE PROCUREMENT

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

CONTRACT CHANGE NOTICE (Revised)

Change Notice Number 6
to
Contract Number 071B2200286

CONTRACTOR	Ulliance, Inc.
	901 Wilshire Dr.
	Troy, MI 48084
	Stephen Batchelor
	(248) 680-4611
	sbatchelor@ulliance.com
	*****9338

STATE	Program Manager	Leann Droste	LARA
		(517) 373-3847	
	drostel1@Michigan.gov		
	Contract Administrator	Dan Stevens	DTMB
(517) 284-7049			
StevensD6@michigan.gov			

CONTRACT SUMMARY				
DESCRIPTION: Program Administration for the Health Professional Recovery Program				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
September 1, 2012	August 31, 2015	2 - 1 Year	May 31, 2017	
PAYMENT TERMS		DELIVERY TIMEFRAME		
N/A		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	3 months	<input type="checkbox"/>		August 30, 2017
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$8,448,784.00		\$ 1,552,860.00	\$10,001,644.00	
DESCRIPTION: Effective December 21, 2016, this Contract is hereby extended 3 months and increased by \$1,552,860.00, pricing has been amended, please see Schedule A, Pricing. All other terms, conditions, pricing and specifications remain the same. Per contractor and agency agreement, DTMB Procurement approval and State Administrative Board approval on December 20, 2016.				

HPRP PROGRAM BUDGET – COST SUMMARY

Pricing Item	Original Pricing	Updated Pricing	% Change
Salaries and Wages	\$106,171.50	\$109,133.00	+2.8%
Fringe Benefits	\$27,604.50	\$27,792.00	+ .68%
Travel	\$1,250.00	\$1,000.00	- 20%
Supplies and Materials	\$6,867.50	\$3,333.00	- 51.5%
Contractual	\$9,916.50	\$16,358.00	+ 65%
Equipment	\$700	\$2,500.00	+ 257%
Other Expenses	\$7,166.50	\$4,167.00	- 41.9%
Administrative Overhead	\$12,863.00	\$13,333.00	+ 3.7%
Total Expenditures	\$172,539.50	\$177,616.00	+ 2.9%



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CONTRACT CHANGE NOTICE

Change Notice Number 5
to
Contract Number 071B2200286

CONTRACTOR	Ulliance, Inc.
	901 Wilshire Dr.
	Troy, MI 48084
	Stephen Batchelor
	(248) 680-4611
	sbatchelor@ulliance.com
	*****9338

STATE	Program Manager	Leann Droste	LARA
		(517) 373-3847	
	drostel1@Michigan.gov		
	Contract Administrator	Dan Stevens	DTMB
(517) 284-7049			
StevensD6@michigan.gov			

CONTRACT SUMMARY				
DESCRIPTION: Program Administration for the Health Professional Recovery Program				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
September 1, 2012	August 31, 2015	2 - 1 Year	November 30, 2016	
PAYMENT TERMS		DELIVERY TIMEFRAME		
N/A		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	6 months	<input type="checkbox"/>		May 31, 2017
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$8,448,784.00		\$.00	\$8,448,784.00	
DESCRIPTION: Effective November 29, 2016, this Contract is hereby extended 6 months, the revised expiration date is May 31, 2017. All other terms, conditions, pricing and specifications remain the same. Per contractor and agency agreement, and DTMB Procurement approval.				



STATE OF MICHIGAN ENTERPRISE PROCUREMENT

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

CONTRACT CHANGE NOTICE

Change Notice Number 4
to
Contract Number 071B2200286

CONTRACTOR	Ulliance, Inc.
	901 Wilshire Dr.
	Troy, MI 48084
	Stephen Batchelor
	(248) 680-4611
	sbatchelor@ulliance.com
	*****9338

STATE	Program Manager	Leann Droste	LARA
		(517) 373-3847	
		drostel1@Michigan.gov	
	Contract Administrator	Dan Stevens	DTMB
		(517) 284-7049	
		StevensD6@michigan.gov	

CONTRACT SUMMARY				
DESCRIPTION: Program Administration for the Health Professional Recovery Program				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
September 1, 2012	August 31, 2015	2 - 1 Year	November 30, 2016	
PAYMENT TERMS		DELIVERY TIMEFRAME		
N/A		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input checked="" type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		November 30, 2016
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$7,923,784.00		\$ 525,000.00	\$8,448,784.00	

DESCRIPTION: Effective September 29, 2016, this Contract is hereby increased by \$525,000.00 per (Section 2.002). All other terms, conditions, pricing and specifications remain the same. Per contractor and agency agreement, and DTMB Procurement approval.



STATE OF MICHIGAN ENTERPRISE PROCUREMENT

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

CONTRACT CHANGE NOTICE

Change Notice Number 3
to
Contract Number 071B2200286

CONTRACTOR	Ulliance, Inc.
	901 Wilshire Dr.
	Troy, MI 48084
	Stephen Batchelor
	(248) 680-4611
	sbatchelor@ulliance.com
	*****9338

STATE	Program Manager	Leann Droste	LARA
		(517) 373-3847	
		drostel1@Michigan.gov	
	Contract Administrator	Dan Stevens	DTMB
		(517) 284-7049	
		StevensD6@michigan.gov	

CONTRACT SUMMARY				
DESCRIPTION: Program Administration for the Health Professional Recovery Program				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
September 1, 2012	August 31, 2015	2 - 1 Year	August 31, 2016	
PAYMENT TERMS		DELIVERY TIMEFRAME		
N/A		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input checked="" type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	3 Months	<input type="checkbox"/>		November 30, 2016
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$7,923,784.00		\$ 0.00	\$7,923,784.00	

DESCRIPTION: Effective August 31, 2016, this Contract is exercising a 3 month option. The revised Contract expiration date is November 30, 2016 per (Section 2.002). Please note the Contract Administrator has been changed to Dan Stevens per (Section 2.020). All other terms, conditions, pricing and specifications remain the same. Per contractor and agency agreement, and DTMB Procurement approval.

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

CHANGE NOTICE NO. 2
 to
CONTRACT NO. 071B2200286
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Ulliance, Inc. 901 Wilshire Drive, Suite 210 Troy, MI 48084	Stephen Batchelor	sbatchelor@ulliance.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(248) 680-4611	9338

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	LARA	LeAnn Droste	(517) 373-3847	Drostel1@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Brandon Samuel	(517) 284-7025	samuelb@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Administration of the Health Professional Recovery Program			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 1, 2012	August 31, 2015	2, one year	August 31, 2015
PAYMENT TERMS		DELIVERY TIMEFRAME	
N/A		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 year	<input type="checkbox"/>		August 31, 2016
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$5,853,308.00		\$2,070,476.00	\$7,923,784.00	

DESCRIPTION: Effective September 1, 2015, this contract is exercising the 1st option year and is increased by \$2,070,476.00. The revised contract expiration date is August 31, 2016. The attached language is also incorporated into the contract. Please also note that the contract administrator has been changed to Brandon Samuel. All other terms, conditions, pricing and specifications remain the same. Per contractor and agency agreement, DTMB Procurement approval and the approval of the State Administrative Board on August 18, 2015.

Contract 071B2200286
Exercise Option Year for Extension with Contract Modifications

Section	Current Language	Amended Language
1.011	<p>These professions include: Acupuncturists; Allopathic Physicians; Athletic Trainers; Audiologists; Chiropractors; Counselors; Dentists, Dental Hygienists and Dental Assistants; Dieticians/Nutritionists; Marriage & Family Therapists; Registered Nurses, Licensed Practical Nurses; Nursing Home Administrators; Occupational Therapists & Assistants; Osteopathic Physicians; Optometrists; Pharmacists and Pharmacy Technicians; Physical Therapists; Physician's Assistants; Podiatrists; Psychologists; Respiratory Therapists; Sanitarians; Speech Language Pathologists, Social Workers; Veterinarians and Veterinarian Technicians; and any future professions as designated by the Department. and any health professions regulated under the Public Health Code.</p>	<p>Add "and Pharmacy Technicians" to list of professions.</p> <p>Modify "and any future professions as designated by the Department." As follows: and any health professions regulated under the Public Health Code."</p> <p>Add new paragraph: The Contractor is expected to comply with relevant and current statutory provisions in the Public Health Code, 1978 PA 368, and the Health Professional Recovery Program (HPRP) Policies and Procedures (revised December 2014). These provisions, policies and procedures are controlling for the delivery of services related to the HPRP. Statutory provisions are subject to amendment by the Legislature; the HPRP Policies and Procedures are subject to amendment by the Health Professional Recovery Committee (HPRC), which is defined in MCL 333.16103a. The HPRP is defined in MCL 333.16105a. The HPRC is charged with certain duties and oversight functions concerning the HPRP and, in accord with MCL 333.16168, the Contractor, as consultant, assists the committee with the administration of the HPRP. This assistance includes, but is not limited to, the duties described in MCL 333.16167(b) and (c). Complete reference information concerning statutory provisions can be found at this web link: http://legislature.mi.gov/doc.aspx?mcl-368-1978-15</p> <p>The HPRP Policies and Procedures can be found in Appendix "B."</p>
1.012	<p>The goal of the Bureau of Health Professions, together with the Committee, is to operate the HPRP in a manner that:</p>	<p>The goal of the LARA, together with the Committee, is to operate the HPRP in a manner that:</p> <p>Add #7: 7) Is in compliance with applicable sections of the Public Health Code, 1978 PA 368 and policies and procedures established by the Health Professional Recovery Committee.</p>
1.022	<p>Contractor must provide a work plan with deliverables and staffing plan for the following key areas of the consulting services in this Contract:</p>	<p>Contractor must provide a written work plan within the first 60 days of each contract year with deliverables and staffing plan for the following key areas of the consulting services in this Contract:</p>
1.022 Task 2 - Deliverables	<p>At the end of the first month of the Contract, the Contractor must report to the Contract Administrator the status of the participant tracking program, including any problems encountered and anticipated completion dates if necessary. The report</p>	<p>Within 30 days of each contract year, the Contractor must report in writing to the Contract Administrator the status of the participant tracking program, including any problems encountered and anticipated completion dates if necessary. The report must also include progress regarding</p>

	<p>must also include progress regarding the transition of participant records from prior contractor, if appropriate.</p> <p>By October 31st of each Contract year, the Contractor must submit a draft Executive Summary, together with appropriate statistical information, for the annual report as required by law. This information must be submitted in editable electronic format to the Contract Administrator for review by the Data Subcommittee of the Committee, with ultimate approval by the Committee. Data from prior contractor should be available for inclusion in any annual report that includes them.</p>	<p>the transition of participant records from prior contractor, if appropriate.</p> <p>By October 15th of each Contract year, the Contractor must submit a draft Executive Summary, together with appropriate statistical information, for the annual report as required by law. This information must be submitted in editable electronic format to the Contract Administrator for review by the Data Subcommittee of the Committee, with ultimate approval by the Committee.</p>
1.022 Task 3 - Deliverables	<p>Within 30 days of the Contract award, the Contractor must provide a report to the Contract Administrator that details the intended Intake process as well as the Contractor's ability to adhere to the 45 calendar day timeframe for completion of the Intake process as articulated under Section 206 of the HPRP Policies and Procedures.</p> <p>Program participants at the Intake phase must be provided their proposed monitoring agreements within 10 business days following receipt of an evaluation. An approved treatment service provider, whose evaluation identifies the participant as appropriate for program monitoring, must conduct this evaluation.</p>	<p>Within 30 days of each Contract year, the Contractor must provide a written report to the Contract Administrator that details the intended Intake process as well as the Contractor's ability to adhere to the 45 calendar day timeframe for completion of the Intake process as articulated under Section 206 of the HPRP Policies and Procedures.</p> <p>Program participants at the Intake phase must be provided their proposed monitoring agreements within 10 business days following receipt of an evaluation. An approved treatment service evaluator, whose evaluation identifies the participant as appropriate for program monitoring, must conduct this evaluation, unless pre-approved by the program director.</p>
1.022 Task 4	<p>1st paragraph - reference to MDCH.</p> <p>In addition, the Contractor's work plan must include the intended process for maintaining the confidentiality of participant files, and for storage and destruction of case files when a licensee's file is closed following successful completion of the program. If there has been no readmission within five years of closure of a file that involves a voluntary participant, the case file must be destroyed pursuant to State law.</p> <p>Deliverables: Within 60 days of the Contract award, the Contractor must submit for approval by the Contract Administrator, the intended process for ensuring participant confidentiality and the intended process for destruction of confidential program information.</p>	<p>Change reference to LARA.</p> <p>In addition, the Contractor's work plan must include the intended process for maintaining the confidentiality of participant files, and for storage and destruction of case files when a licensee's file is closed following successful completion of the program. If there has been no readmission within five years of closure of a file that involves a voluntary participant, the case file must be destroyed pursuant to Public Health Code provisions for HPRP.</p> <p>Deliverables: Within 60 days of each Contract year, the Contractor must submit in writing for approval by the Contract Administrator, the intended process for ensuring participant confidentiality and the intended process for destruction of confidential program information.</p>
1.022 Task 5 - Deliverables	<p>Within 60 days of the Contract award, the Contractor must submit a report to the Contract Administrator outlining the intended process for maintaining the continuity of the existing monitoring agreements to ensure ongoing monitoring of participants.</p>	<p>Within 60 days of each Contract year, the Contractor must submit a written report to the Contract Administrator outlining the intended process for maintaining the continuity of the existing monitoring agreements to ensure ongoing monitoring of participants.</p>
1.022	<p>Within 90 days of the Contract award, the</p>	<p>Within 90 days of each Contract year, the</p>

Task 6 - Deliverables	Contractor must submit a report to the Contract Administrator on this component of the program. This report must include the number of participants in this component, whether participants' pain issue is being satisfactorily controlled, whether participants are able to or anticipate being able to return to work in their chosen field, any issues encountered during this period and how they were resolved, and recommendations, if any, for policy changes or improvements.	Contractor must submit a written report to the Contract Administrator on this component of the program. This report must include the number of participants in this component, whether participants are able to or anticipate being able to return to work in their chosen field, any issues encountered during this period and how they were resolved, and recommendations, if any, for policy changes or improvements.
1.022 Task 7	At the State's discretion, an independent evaluator, selected and paid for by the State, will perform periodic evaluations of the Contractor's performance with regard to this contract. The frequency of these evaluations will be determined by the State.	Delete this paragraph.
1.022 Task 8	Reference to MDCH	Change reference to LARA
1.022 Task 10	<p>Because the HPRP is not a treatment program, the program relies on an extensive statewide network of approved treatment service providers. These providers must have the education, skills, and training to ensure that program participants are appropriately treated and monitored. The criteria these providers must meet are further articulated in Section 401 of the HPRP Policies and Procedures Manual (refer to Appendix B). In certain situations such as a participant's special needs, for insurance coverage reasons or lack of approved providers in the participant's area of the State, exceptions can be made to allow for involvement by an unapproved provider at the discretion of the Medical Consultant and the HPRP management staff. Participants must be given a list of approved providers available. A partial list can be provided of providers in the geographic region but the full list of approved providers must be available to a participant upon request.</p> <p>The Contractor must be able to identify gaps in the State where more treatment service providers are needed; the types of treatment service providers needed; and a mechanism by which to evaluate potential treatment service providers through surveys and/or training seminars. The Contractor must request the Contract Administrator to conduct site visits to determine whether the programs and/or services provided meet criteria.</p> <p>Deliverables: On a quarterly basis, the Contractor must provide to the Contract Administrator and the HPRC a list of current treatment service providers, identifying new treatment service providers identified during the reporting</p>	<p>Because the HPRP is not a treatment program, the program relies on an extensive statewide network of approved treatment service providers. These providers must have the education, skills, and training to ensure that program participants are appropriately treated and monitored. The criteria these providers must meet are further articulated in Section 401 of the HPRP Policies and Procedures Manual (refer to Appendix B). In certain situations such as a participant's special needs, for insurance coverage reasons or lack of approved providers in the participant's area of the State, exceptions can be made to allow for involvement by an unapproved provider at the discretion of the Medical Consultant and the HPRP management staff. Participants must be provided access to a list of approved providers.</p> <p>The Contractor must be able to identify gaps in the State where more treatment service providers are needed; the types of treatment service providers needed; and a mechanism by which to evaluate potential treatment service providers including through training seminars and participant surveys. The Contract Administrator may conduct site visits to determine whether the programs and/or services provided meet criteria and objectives of the program.</p> <p>Deliverables: On at least an annual basis, or upon specific request of the Contractor Administrator, the Contractor must provide to the Contract Administrator and the HPRC a list of current treatment service providers, identifying new treatment service providers identified during the reporting period including their specialty or expertise and those treatment service providers</p>

	<p>period including their specialty or expertise and those treatment service providers removed from the approved treatment service provider list and the reasons why.</p> <p>Upon availability, the Contractor will be required to utilize the State of Michigan Provider Credentials Center (MiPCC), or successor program, to determine acceptability of potential treatment service providers and the current network of treatment service providers.</p>	<p>removed from the approved treatment service provider list and the reasons why.</p> <p>Delete this deliverable.</p>
1.022 Task 12	Task 12: Contractor Business Ownership Information:	Renumber Task to #11.
1.022 Task 13	Task 13: Payment of Funds:	Renumber Task to #12.
1.022 Subsection C	<u>C. REPORTS AND MEETINGS:</u>	<u>C. SERVICE METRICS, REPORTS AND MEETINGS:</u>
1.022 New Task 13		<p><u>Task 13: Service Metrics Compliance and Documentation:</u></p> <p><u>Deliverables:</u></p> <p><u>-The Contractor must ensure calls received about the program and its services, should be documented by the Contractor and available upon request by the Project Manager. Metric: Calls responded to within 24 hours 95% of the time. For a call received on weekends and State holidays, a call should be responded to on the next business day. Deviance from metric is documented for review, e.g., high call volumes, unexpected staff scheduling issues, etc.</u></p> <p><u>- The Contractor must confirm with Project Manager that records of a health professional who has successfully participated in the HPRP and completed a treatment plan are destroyed upon the expiration of 5 years after the date of the HPRC determination. Documentation of destruction of records and purging of records must be maintained and available to the Project Manager upon request. Metric: 100% compliance.</u></p> <p><u>- The Contractor must maintain documentation about intakes. Metric: Intake takes no longer than 45 days from date of referral 95% of the time. Deviance from metric and 30-day extensions under Policy 206.00 are documented for review by Project Manager upon request.</u></p> <p><u>- The Contractor must maintain documentation about those participants who were to self-report in accord with Policy 302.00 and did not. Metric: Report to Project Manager the number of participants who did not submit the required report by the 10th day of the following month. First report is due 60 days after this requirement is added and at the end of each subsequent month for the duration of the Contract.</u></p> <p><u>- The Contractor must maintain documentation</u></p>

		<p><u>about participant absences from support groups and drug testing under Policy 301.01. Metric: Documentation is maintained and available 100% of the time. This requirement must be met 60 days after the date the requirement is added to the Contract.</u></p> <ul style="list-style-type: none"> - The Contractor must maintain documentation about participant relapses under Policy 801.02. Metric: Documentation is maintained and available 100% of the time. This requirement must be met 60 days after the date the requirement is added to the Contract - The Contractor must maintain documentation about dismissals from the HPRP under Policy 901.00. Metric: Documentation is maintained and available 100% of the time. - The Contractor must maintain documentation about the number of participants under Policy 1001.01 and 1001.02. Metric: Documentation is maintained and available 100% of the time.
<p>1.022 Task 14</p>	<p><u>Task 14: Status Reports:</u></p> <p>The Contractor is required to submit monthly written status reports to the Contract Administrator. The content and format of these reports will be determined by the Contract Administrator following issuance of the Contract.</p>	<p><u>Task 14: Statistical Reports:</u></p> <p>The Contractor is required to submit written status reports to the Contract Administrator. The subject matter and timing of these reports is listed below with the minimum expectations concerning content. The need for additional reporting, timing of reporting, and format of reporting will be determined by the Contract Administrator in conjunction with the Contractor.</p> <p>Deliverables:</p> <ul style="list-style-type: none"> - When a Report is described as monthly in the list below, it is due no later than the 15th of the next month. When a Report is described as annual, it is due no later than October 15th of each year for the period beginning October 1st of the previous year through September 30th of the current year. - Report level of participation in the program of each health profession [see MCL 333.16167(e)]. Reporting is monthly and a cumulative annual report. This requirement is due 60 days after the date this requirement is added to the Contract. - Report any recommendations for changes in the HPRP and participation by the boards, task forces, professional association, treatment and prevention programs, and other appropriate agencies. [See MCL 333.16167(e)]. Reporting is at least annually. - Report the number of records destroyed or purged after the 5 year requirement contained in MCL 333.16170a(3). Reporting is to be made annually. Report is only to contain summary numbers for each profession and no identifying information of participants. - Report the number of intakes each month by

profession, along with the level of risk (high, moderate, and low). Reporting is monthly and a cumulative annual report. First report is due 60 days after the date this requirement is added to the Contract.

- Report the number of 30-day extensions related to Policy 206.00, Report the number of extensions each month by profession and a cumulative annual report of total extensions by profession.

- Report the number of participants who failed to successfully complete his or her treatment plan, along with the risk level at intake by profession. Reporting is monthly, and a cumulative annual report.

- Monthly status report for evaluation referrals under Policy 205.00.

- Report the number of participants who were to self-report in accord with Policy 302.00 and did not, during each month by profession. Report is monthly, and a cumulative annual report.

- Report the number of participants by profession who relocated out of state during the month under Policy 304.00. Reporting is monthly, and a cumulative annual report.

- Report the number of leave requests under Policy 504.00 by profession for participants and by category of request, including vacation and drug screening delays, and other relevant categories. Reporting is monthly, and a cumulative annual report.

- Report the number of late toxicology screenings by profession under Policy 502.01 for participants each month. Reporting is monthly, and a cumulative annual report. First report is due 60 days after the date this requirement is added to the Contract.

- Report the number of participants by profession who were authorized to return to professional practice each month under Policy 601.01. Reporting is monthly, and a cumulative annual report. First report is due 60 days after the date this requirement is added to the Contract.

- Report the number of relapses each month under Policy 801.02 by profession. Reporting is monthly, and a cumulative annual report. First report is due 60 days after the date this requirement is added to the Contract.

- Report the number of dismissals from HPRP each month under Policy 901.2 by profession. Reporting is monthly, and a cumulative annual report.

- Report the number of participants each month under Policy 1001.01 and 1001.02 by profession.

		<p>Report is monthly, and a cumulative annual report.</p> <p>- Report the number of participants each month by profession under Policy 1001.01 and 1001.02 by profession who did not comply with the monitoring agreement (MA). Report is monthly, and a cumulative annual report.</p>
<p>1.022 Task 16</p>	<p>State law requires that the Committee submit an annual report regarding each health professional board. This report must contain, at a minimum, statistical information on the level of participation in the program of each health profession. With a possible exception for the initial Contract year, the report will cover the time period of October 1 through September 30th.</p> <p>Deliverables: Using information garnered from the data contained in the Department-approved database and updated daily by the Contractor and data from the prior Contractor, if appropriate, the Contractor must provide an editable electronic draft of the proposed annual report for review by the Data Subcommittee of the full Committee. This draft report shall be provided to the Contract Administrator by October 15th and must include a draft Executive Summary. Upon request, the Contract Administrator will provide a copy of the previous Annual Report for review by the Contractor.</p> <p><u>NON-NEGOTIABLE ITEMS:</u></p> <ol style="list-style-type: none"> 1.) The Department retains ownership of the toll-free telephone line for the program. This is the only contact number, with appropriate extensions, that will be used for the program, program participants and service providers. If the Contractor chooses to provide cellular telephone numbers or direct line numbers for direct contact with program staff, it will be at their discretion and their cost. 2.) The Department maintains ownership of the data for both regulatory and voluntary participants and the tracking of their case records. The Department needs electronic access to the records for regulatory participants only on a daily basis. Voluntary records will be made available upon special request for auditing purposes only and are not subject to Freedom of Information requests. The 	<p>State law requires that the Committee submit an annual report regarding each health professional board. This report must contain, at a minimum, statistical information on the level of participation in the program of each health profession. The report will cover the time period of October 1 through September 30th and the Contractor is responsible for providing information for any time period for this agreement, extensions, or amendments are effective and in force.</p> <p>Deliverables: Using information garnered from the data contained in the HPRP System and updated daily by the Contractor and data from the prior Contractor, if appropriate, the Contractor must provide an editable electronic draft of the proposed annual report for review by the Data Subcommittee of the full Committee. This draft report shall be provided to the Contract Administrator by October 15th and must include a draft Executive Summary. Upon request, the Contract Administrator will provide a copy of the previous Annual Report for review by the Contractor.</p> <p><u>NON-NEGOTIABLE ITEMS:</u></p> <ol style="list-style-type: none"> 1.) The Department retains ownership of the toll-free telephone line for the program. If the Contractor chooses to provide cellular telephone numbers or direct line numbers for direct contact with program staff, it will be at their discretion and their cost. 2.) The Department maintains ownership of the data for both regulatory and voluntary participants and the tracking of their case records. The Department's Contract Administrator needs electronic access to the records on a daily basis. Other Department personnel may be designated to have separate access to records concerning regulatory participants only. Records must be made available upon special request for auditing and review purposes by the Contract Administrator. The Contractor is responsible for providing records in electronic form to the Department upon request. The Contractor will also be responsible for transferring all regulatory and voluntary participant records to a new Contractor at the conclusion of the

	<p>Contractor is responsible for providing all electronic records to the Department during the Contract period. The Contractor will also be responsible for transferring all regulatory and voluntary participant records to a new Contractor at the conclusion of the Contract period.</p> <p>The prior Contractor purchased a program with State funds for tracking participants that would be available to a new Contractor, if desired.</p> <p>3.) The Contractor must host, update and maintain the www.hprp.org domain and website for use by anyone requesting information about the HPRP. This will include providing programming services, technical support and email services for the HPRP.org domain.</p> <p>The current website consists of standard HTML and adobe Acrobat PDF pages. Additional functionality is planned for the site utilizing dynamic ASP.net pages linked to a Microsoft SQL database. It will be necessary to provide use of a compatible Broadband Internet Connection, Web Server, Database Server, Security Certificate, Firewall and DNS servers to support this domain. Any changes to the website will require prior approval by the Contract Administrator. (Refer to Additional Terms and Conditions specific to the RFP, Section 1.071).</p> <p>4.) The Contractor must use the www.hprp.org website address as the email address for the staff involved with the HPRP. No other website address will be allowed.</p> <p>5.) The Contractor must ensure that the HPRP is housed and staffed in its own secure location, separate from <u>any</u> other monitoring programs or business interests the chosen Contractor may have involvement with, to ensure separation of costs, expenses, etc. for the program. Exceptions to this requirement must be clearly outlined, in the Work Plan and will be subject to MDCH approval.</p>	<p>Contract period.</p> <p>The State of Michigan retains the source code for the existing program, and intends to have access to and retain source coding for any revisions, updates, or other modifications occurring under this agreement.</p> <p>Case records are subject to confidentiality provisions in the Public Health Code and other statutory authorities. The Contractor must maintain compliance with confidentiality and other privacy statutes, state and federal.</p> <p>3.) The Contractor must host, update and maintain the www.hprp.org domain and website for use by anyone requesting information about the HPRP. This will include providing programming services, technical support and email services for the HPRP.org domain.</p> <p>4.) No Changes</p> <p>5.) The Contractor must ensure that the HPRP is housed and staffed in a secure location, separate from <u>any</u> other monitoring programs or business interests the chosen Contractor may have involvement with, to ensure separation of costs, expenses, etc. for the program. Exceptions to this requirement must be clearly outlined, in the Work Plan and will be subject to LARA approval.</p> <p>6.) No Changes</p> <p>7.) All personnel of the contractor having direct contact with program participants must have experience, training, expertise and/or education in addiction, substance use and/or mental health disorders in accord with the intent of HPRP Policies and Procedures. The Contractor will be required to provide a current resume or curriculum vitae for personnel having direct contact with program participants, and specifically those personnel involved with Management, Intake and Monitoring functions must receive approval by the Department before beginning his or her service to participants.</p> <p>8.) No program participant shall be sent out-of-state. For an exception, certain approvals are necessary in accord with HPRP Policies and Procedures and provision in the Public Health Code..</p>
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	<p>6.) All documents including but not limited to letterhead, forms etc., must <u>only</u> reference the Health Professional Recovery Program (HPRP). Use of the Contractor's name on any documents sent to program participants or treatment service providers will not be allowed other than to initially communicate the change in Contractors.</p> <p>7.) All staff members having direct contact with program participants must have experience, training, expertise and/or education in addiction, substance use and/or mental health disorders. The chosen Contractor will be required to provide a current resume or curriculum vitae for all staff having direct contact with program participants, specifically those involved with Management, Intake and Monitoring functions for pre-approval by the Department.</p> <p>8.) No program participant or treatment service provider information shall be sent out-of-state. An exception is allowed for program participants who are referred out-of-state for treatment that is required or requested subject to MDCH approval.</p> <p>9.) The Contractor must fully and cooperatively agree to allow an independent evaluator, chosen and paid for by the Department, to perform an evaluation of the program and the Contractor's performance on a schedule to be determined by the department.</p> <p>10.) The Contractor must allow the Department or its designee to have access to the database pertaining to regulatory participants.</p> <p>11.) The Contractor must assure that the Department have access to the drug screening subcontractor's testing data and results for all regulatory participants.</p>	<p>9.) The Contractor must fully and cooperatively allow an individual or individuals designated in writing by the Department to conduct evaluations of case files, program delivery to participants, and the Contractor's or sub-contractor's (for drug testing, website hosting, or other services) performance on a frequency determined by the department.</p> <p>10.) The Contractor must allow the Department's Contract Administrator or another designee to have access to the HPRP System for review of participant status and case records.</p> <p>11.) The Contractor must assure that the Department's Contract Administrator or another designee has access to the drug screening subcontractor's testing data and results for all participants.</p>
1.031 Key Personnel	3) Other key staff identified by Contractor with educational and/or training requirements specified.	3) Other key staff identified by Contractor with educational and/or training requirements specified and role or function with the program.
1.031 Mgmt. Roles & Responsibilities	3) Monitoring case levels of non-regulatory participants must not exceed 100 per case manager. 4) A list of all current Regulatory	3) Monitoring case levels of participants must not exceed 80 per case manager. 4) A list of all current participants and their compliance status must be provided to the

	<p>participants and their compliance status must be provided to the Contract Administrator by the 10th of each month.</p> <p>5) Regulatory participants must be assigned to a minimum of two case managers whose case load shall not exceed 80 per case manager.</p>	<p>Contract Administrator by the 10th of each month.</p> <p>5) Regulatory participants must be assigned to a minimum of two case managers who have responsibility for a specific participant to provide coverage when one of the case managers is on vacation or otherwise not available.</p>
1.031 Staff Roles & Responsibilities	<p>7) The length of monitoring must be consistent with the recommendation of the evaluator. Exceptions must be discussed with the evaluator and documented in the file.</p> <p>12) Pursuant to the HPRP Policies and Procedures, all program participants with a chemical dependency diagnosis MUST include Alcoholics Anonymous and/or Narcotics Anonymous attendance as a requirement of their M.A..</p>	<p>7) The length of monitoring must be consistent with the recommendation of the primary treatment provider in consultation with the case manager and in accord with HPRP Policies and Procedures.</p> <p>1.) 12) HPRP Policies and Procedures must be followed for all program participants with a chemical dependency diagnosis and this MUST include Alcoholics Anonymous and/or Narcotics Anonymous attendance as a requirement.</p> <p>2.) 16) Provide assistance with outreach through electronic communication to help promote HPRP.</p>
1.031 Staff Roles Specifically for Regulatory Monitoring	<p>7) Required reports must be legibly signed by the case manager assigned to the case.</p>	<p>7) Required reports must be legibly or electronically signed by the case manager assigned to the case.</p>
1.041 Project Plan Management	<p>The Contractor must submit brief written monthly summaries of progress which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated, which should be brought to the attention of the Contract Administrator; and notification of any significant deviation from previously agreed-upon work plans.</p>	<p>c) The Contractor must submit written monthly summaries of the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated, which should be brought to the attention of the Contract Administrator; and notification of any significant deviation from previously agreed-upon work plans.</p>
1.042 Reports	<p>All reports must be provided to LARA in editable electronic and hard copy formats unless otherwise specified by the State during implementation. The content, frequency, and number of copies for reports will be specified in more detail by LARA.</p> <p>For non-compliant participants, the Contractor will prepare a separate package to be used by the Department's Regulatory Division, pursuant to section 333.16168(2) of the Public Health Code. The package will include the following:</p> <p>(1.) A cover memorandum, addressed to the Department's Regulatory Division, that provides a detailed chronology of the participant's interaction with the HPRP staff;</p>	<p>All reports must be provided to LARA in editable electronic and hard copy formats unless otherwise specified by the State during implementation. The content, frequency, and number of copies for reports will be specified in more detail by LARA.</p> <p>In general, in accord with MCL 333.16168(2), the Contractor must and is required to report immediately to the Department any circumstances known that indicate that an impaired health professional may be a threat to the public health, safety, or welfare. The Contractor must provide a report to the Department personnel who are designated to receive such a report. The report shall be in writing and shall include specific reasons the Health Professional may be a threat to the public health, safety, or welfare or the public.</p> <p>For non-compliant participants, and to comply with MCL 333.16170(2), the Contractor will prepare a separate report to be used by the for</p>

		<p>the purposes set forth in MCL 333.16168(2). The report will include the following:</p> <p>(1) A cover memorandum, addressed to the designated person(s) in the Department that provides a detailed chronology of the participant's interaction with the HPRP staff;</p>
1.051 Criteria	<p>5.) Ability to provide professional staff that will occasionally be required to participate and testify in administrative hearings or court proceedings.</p> <p>9.) Ability to alert LARA staff regarding participants who may be a threat to public safety due to non-compliance as quickly as possible.</p> <p>11.) Ability to adhere to the Department's expectations that the program be fully operational by September 1, 2012.</p>	<p>5.) Ability to provide professional staff that will occasionally be required to participate and testify in administrative hearings, court matters, or other proceedings.</p> <p>9.) Ability to alert LARA staff regarding participants who may be a threat to public safety, health, or welfare due to non-compliance as quickly as possible.</p> <p>11.) Ability to adhere to the Department's expectations that the program must be fully operational upon the assumption of the Contractor's role under this agreement.</p>
2.021 Issuing Office	Jim Wilson, DTMB Buyer	<p>Brandon Samuel, Buyer Specialist Procurement Department of Technology, Management & Budget Constitution Hall 525 W. Allegan St. 1st Flr, NE P.O. Box 30026 Lansing, MI 48909-7526 Email: samuelb@michigan.gov Phone: 517-284-7025</p>
2.022 CCI	<p>References MDCH</p> <p>LeAnn Droste</p>	Change reference to LARA
2.023 Project Management	<p>The following individual will oversee the project for management purposes:</p> <p>Rae Ramsdell, Regulatory Division Director Michigan Department of Licensing and Regulatory Affairs Bureau of Health Professions 611 W. Ottawa, 1st Floor ramsdellr@michigan.gov Phone: (517) 335-7212 Fax: (517) 241-1431</p> <p>The following individual will oversee the project in a day-to-day basis as the contract administrator:</p> <p>Susan Bushong, Contract Administrator Michigan Department of Licensing and Regulatory Affairs Bureau of Health Professions 611 W. Ottawa, 1st Floor Bushongs@michigan.gov Phone: (517)335-1760 Fax: (517) 241-1212</p>	<p>The following individual will oversee the project for management purposes:</p> <p>Leah Arendt Michigan Department of Licensing and Regulatory Affairs Legal Affairs Division Bureau of Professional Licensing PO Box 30670 Lansing, MI 48909 arendtl@michigan.gov Phone: (517) 335-1752 Fax: (517) 241-7535</p> <p>The following individual will oversee the project in a day-to-day basis as the contract administrator:</p> <p>Rudy Litterini Michigan Department of Licensing and Regulatory Affairs Bureau of Professional Licensing PO Box 30670 Lansing, MI 48909</p>
2.113 Retention of Records	2.113 Retention of Records Contractor must maintain at least until the end of the Audit Period, all pertinent	2.113 Confidentiality and Retention of Records Contractor must maintain at least until the end of

financial and accounting records (including time sheets and payroll records, information pertaining to the Contract, and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records must be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

Destruction of Records

In accordance with the Public Health Code, Articles 1, 7, 15, 19 and excerpts from Articles 5 and 17, of Public Act 368 of 1978, as amended, the Contractor will comply with all requirements for destruction of participants' documents and records. Specifically, pursuant to 333.16170a(3) states if a health professional including records pertaining to the health professional's participation in the treatment plan, upon expiration of 5 years after the date of the Committee's determination. The Contractor will be responsible for communicating with the Department and/or the Contract Administrator to facilitate the appropriate disposal and destruction of all confidential records in compliance with the dictates of the Public Health Code.

the Audit Period, all pertinent financial and accounting records (including time sheets and payroll records, information pertaining to the Contract, and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records must be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

Confidentiality and Destruction of Records

The Contractor must comply with all requirements in the Public Health Code, 1978 PA 368, concerning records, confidentiality of records, and records destruction. Articles 1, 5, 7, 8, 15, 17, and 19 are known to contain certain requirements concerning records. The Contractor must specifically comply with all requirements in MCL 333.16170a. This section of the Public Health Code sets forth the following:

- (1) The identity of an individual submitting information to the committee or the department regarding the suspected impairment of a health professional is confidential.
- (2) The identity of a health professional who participates in the health professional recovery program is confidential and is not subject to disclosure under discovery or subpoena or the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, unless the health professional fails to satisfactorily participate in and complete a treatment plan prescribed under the health professional recovery program or violates section 16170(3).
- (3) If a health professional successfully participates in and completes a treatment plan prescribed under the health professional recovery program, as determined by the committee, the department shall destroy all records pertaining to the impairment of the health professional, including records pertaining to the health professional's participation in the treatment plan, upon the expiration of 5 years after the date of the committee's determination. This subsection does not apply to records pertaining to a violation of this article, article 7, or article 8 or a rule promulgated under this article, article 7, or article 8.

The Contractor will be responsible for communicating with the Department and/or the Contract Administrator to facilitate the appropriate disposal and destruction of all confidential records in compliance with the dictates of the Public Health Code.

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

CHANGE NOTICE NO. 1
 to
CONTRACT NO. 071B2200286
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Ulliance, Inc. 901 Wilshire Drive, Suite 210 Troy, MI 48084	Stephen Batchelor	sbatchelor@ulliance.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 680-4611	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	LARA	LeAnn Droste	517-373-3847	Drostel1@michigan.gov
BUYER	DTMB	Lance Kingsbury	517-284-7017	kingsburyl@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Administration of the Health Professional Recovery Program			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 1, 2012	August 31, 2015	2, one year	August 31, 2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$75,000.00		\$5,853,308.00		

Effective June 27, 2014, the attached document is hereby incorporated into this contract and contract is increased by \$75,000.00 (Per Option 3 on the attached document). Please note that the buyer has been changed to Lance Kingsbury.
 All other terms, conditions, pricing and specifications remain the same. Per contractor and agency agreement and DTMB Procurement approval.

CHANGE NOTICE NO. 1 TO CONTRACT NO. 071B2200286

This Change Notice No. 1 (this “**Change Notice**”) to Contract No. 071B2200286 (the “**Contract**”) is entered into this 25th day of June, 2014 (the “**Effective Date**”), by and between the State of Michigan, Department of Technology, Management and Budget Procurement on behalf of the Michigan Department of Licensing and Regulatory Affairs, Bureau of Health Care Services (collectively, the “**State**”) and Ulliance, Inc., a Michigan corporation (“**Contractor**”)(together with the State, the “**parties**”).

Background

Under the Contract, the State engaged Contractor to assist the State with administration of the Health Professional Recovery Program (the “**HPRP Program**”). The HPRP Program was established under Public Act 80 of 1993 as a confidential, non-disciplinary, treatment-oriented approach to address public health and safety issues resulting from health care licensees or registrants who had substance abuse issues or mental health disorders.

Under the Contract, Contractor is obligated to maintain a web-based, computer-generated database that will facilitate intake and case management services for the HPRP Program. The Contract stated that Contractor would be able to utilize an existing software application developed by the predecessor vendor for such purposes (the “**Predecessor Application**”). The Predecessor Application is no longer viable, and Contractor has had to begin development of its own web-based, database software application in order to meet its contractual obligations to the State.

Subject to the terms and conditions of this Change Notice, the State is willing to provide Contractor additional consideration for the development and implementation of the newly developed software application, as it is within the scope of the current Contract, however, outside the existing deliverables.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the State and Contractor hereby agree as follows:

Agreement

1. **Definitions.** For purposes of this Change Notice, in addition to the bold capitalized terms defined elsewhere in this Change Notice, the following terms shall have the meanings given to them below. All capitalized terms not defined in this Change Notice shall have the meanings given to them in the Contract.
 - 1.1 “**Derivative Work**” means any modification, addition, upgrade, update or improvement of the HPRP System and any other work constituting a

derivative work under the United States Copyright Act, 17 U.S.C. Section 101, *et seq.*

- 1.2 “**Deposit Materials**” has the meaning set forth in **Section 5.1**.
- 1.3 “**Documentation**” means all user manuals, operating manuals, technical manuals and any other instructions, specifications, documents and materials, in any form or media, that describe the functionality, installation, testing, operation, use, maintenance, support and technical and other components, features and requirements of the HPRP System.
- 1.4 “**Harmful Code**” means any: (a) virus, Trojan horse, worm, backdoor or other software or hardware devices the effect of which is to permit unauthorized access to, or to disable, erase, or otherwise harm, any computer, systems or software; or (b) time bomb, drop dead device, or other software or hardware device designed to disable a computer program automatically with the passage of time or under the positive control of any person, or otherwise deprive the State of its lawful right to use the HPRP System.
- 1.5 “**HPRP System**” means the web-based, database software application developed by Contractor to facilitate intake and case management of the HPRP Program, including all programming tools, scripts and routines, the Contractor is required to or otherwise does develop or otherwise provides under this Change Notice and the Contract, as described more fully in the Statement of Work, including all updates, upgrades, new versions, new releases, enhancements, improvements and other modifications made to the software application.
- 1.6 “**Intellectual Property Rights**” means all or any of the following, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection in any part of the world: (a) patents, patent disclosures and inventions (whether patentable or not); (b) trademarks, service marks, trade dress, trade names, logos, corporate names and domain names, together with all of the goodwill associated therewith; (c) copyrights and copyrightable works (including computer programs), and rights in data and databases; (d) trade secrets, know-how and other confidential information; and (e) other intellectual property rights.
- 1.7 “**Object Code**” means computer programs assembled or compiled in magnetic or electronic binary form on software media, which are readable and useable by machines, but not generally readable by humans without reverse assembly, reverse compiling, or reverse engineering.
- 1.8 “**Open-Source Components**” means any software component that is subject to any open-source copyright license agreement, including any GNU General Public License or GNU Library or Lesser Public License, or other license agreement that substantially conforms to the Open Source Definition as prescribed by the Open Source Initiative or otherwise may require disclosure

or licensing to any third party of any source code with which such software component is used or compiled.

- 1.9 **“Services”** means any of the services Contractor is required to or otherwise does provide under this Change Notice, the Contract or the Statement of Work.
- 1.10 **“Source Code”** means the human readable source code of the HPRP System to which it relates, in the programming language in which the HPRP System was written, together with all related flow charts and Documentation, including a description of the procedure for generating Object Code, all of a level sufficient to enable a programmer reasonably fluent in such programming language to understand, operate, support, maintain and develop modifications, upgrades, updates, enhancements, improvements and new versions of, and to develop computer programs compatible with, such HPRP System.
- 1.11 **“Third-Party Materials”** means any materials and information, including documents, data, know-how, ideas, methodologies, specifications, software, content and technology, in any form or media, in which any person other than the State or Contractor owns any Intellectual Property Right, but specifically excluding Open-Source Components.
- 1.12 **“Work Product”** means all designs, discoveries, inventions, products, computer programs, procedures, improvements, developments, drawings, notes, documents, information, and materials made, conceived, or developed by Contractor either before or after the Effective Date of this Change Notice on behalf of the State in furtherance of the development of the HPRP System.

2. **Development and Implementation of the HPRP System.**

- 2.1 **Statement of Work.** Contractor agrees to complete development, implementation and hosting of the HPRP System in accordance with the specifications and development schedule set forth in the Statement of Work attached hereto as **Exhibit A** (the **“Statement of Work”**).
- 2.2 **Third-Party Materials.** Contractor shall not include in the HPRP System, and operation of the HPRP System shall not require, any Third-Party Materials.
- 2.3 **Open-Source Components.** Contractor shall not include in the HPRP System, and operation of the HPRP System shall not require the use of, any Open-Source Components, unless such Open Source Components are approved in writing by the State, it being acknowledged that the State has approved the use of JQuery. Contractor will provide links to Source Code and Documentation for all Open Source Components.
- 2.4 **Work Only by Contractor.** Excepting any co-developer who is approved in writing by the State to co-develop the HPRP System with Contractor, no

individuals or entities other than Contractor and Contractor's employees shall undertake any work in connection with this Change Notice. Contractor shall obtain and maintain in effect written agreements with any approved co-developer, and each of its employees who participate in any of Contractor's work under this Change Notice, which agreements shall contain terms sufficient for Contractor to comply with all provisions of this Change Notice and to support all grants and assignments of rights and ownership under this Change Notice. Such agreements shall also impose an obligation of confidentiality on such co-developer and employees with respect to the State's Confidential Information, as defined under Section 9.1 of this Change Notice. The parties acknowledge and agree that Contractor has notified the State that it has contracted with and is utilizing third-party subcontractor, DataSoph, for a portion of the HPRP System development. The State's approval of DataSoph does not relieve Contractor of its representations, warranties or obligations under this Change Notice. Without limiting the foregoing, Contractor will:

- a) be responsible and liable for the acts and omissions of DataSoph (including such DataSoph's employees who, to the extent providing Services or creating Work Product, shall be deemed Contractor personnel) to the same extent as if such acts or omissions were by Contractor or its employees;
- b) name the State a third-party beneficiary under Contractor's contract with DataSoph with respect to the Services and Work Product;
- c) be responsible for all fees and expenses payable to, by or on behalf of DataSoph in connection with this Change Notice, including, if applicable, withholding of income taxes, and the payment and withholding of social security and other payroll taxes, unemployment insurance, workers' compensation insurance payments and disability benefits; and
- d) obtain from DataSoph confidentiality, work-for-hire and intellectual property rights assignment agreements, in form and substance acceptable by the State, giving the State rights consistent with those set forth in Section 4.1 and, upon request, provide the State with a fully-executed copy of each such agreement.

3. Fees and Payment.

- 3.1 **Fee.** In consideration of Contractor's provision of the Services and other undertakings hereunder, and subject to the provisions of this Change Notice and the Statement of Work, the State shall pay Contractor a one-time fee of Seventy Five Thousand Dollars (\$75,000)(the "Fee"). The Fee is inclusive of all costs and expenses of the Contractor whether foreseen or unforeseen, including all insurances and taxes, if any, for the development and implementation of the HPRP System in accordance with the specifications

and development schedule set forth in the Statement of Work.

- 3.2 Payment. The State shall pay Contractor in accordance with the payment schedule set forth in the Statement of Work.
- 3.3 Right to Withhold. Notwithstanding any provision of this Change Notice to the contrary, the State may withhold, in whole or in part, payment to the extent necessary to protect itself from loss on account of inadequate or defective work which has not been remedied or resolved in a manner reasonably satisfactory to the State or loss resulting from Contractor's failure to substantially comply with this Change Notice or the Contract. The amount withheld shall not be subject to payment of interest by the State.
- 3.4 Right of Set-Off. 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 Change Notice or the Contract or otherwise.

4. **Ownership and Licensing of the HPRP System.**

- 4.1 Ownership of the HPRP System. Subject to the license granted to Contractor under Section 4.2 below, the HPRP System, all related Work Product, and all Intellectual Property Rights therein shall be deemed to be the sole and exclusive property of the State and all title and interest therein shall vest in the State and shall be deemed to be a "work made for hire" and made in the course of the Services rendered hereunder. To the extent that any title to the HPRP System or any Work Product may not, by operation of law, vest in the State or such works may not be considered works made for hire, all right, title and interest therein shall be irrevocably assigned to the State. Subject to the license granted to Contractor under Section 4.2 below, the HPRP System and all related Work Product shall belong exclusively to the State with the State having the right to obtain and to hold in its name copyrights, registrations or such other protection as may be appropriate to the subject matter, and any extensions and renewals thereof. Contractor agrees to provide reasonable assistance and cooperation to the State to acquire, transfer, maintain, perfect, and/or enforce the Intellectual Property Rights in the HPRP System and the related Work Product, including but not limited to execution of assignment of ownership or other documents as may be reasonably required by the State. This Section shall survive termination or expiration of the Contract.
- 4.2 License of the HPRP System to Contractor. The State hereby grants to Contractor a perpetual, irrevocable, non-exclusive, transferable, worldwide, fully paid license to use, reproduce, modify, display, perform, create Derivative Works based upon, and to grant end user customers (either directly or indirectly via distributors, value added resellers and software developers) sublicenses to use the HPRP System, all related Work Product, and all Intellectual Property Rights associated therewith and contained therein. This Section shall survive termination or expiration of the Contract.

5. **Source Code Deposit.**

5.1 Upon Final Acceptance of the HPRP System, and upon expiration or termination of the Contract or this Change Notice, Contractor shall deliver to DTMB IT Services the following materials (“**Deposit Material**”):

- a) At least one copy of the HPRP System (in matched Source Code and Object Code form) for the current version and release and at least one immediately prior release of the HPRP System.
- b) An identification of all Deposit Material media (magnetic tape, disc, hard drive or hard copy) in written or electronic form.
- c) All HPRP System operating system, compiler, linker, library, utility, calculation routine and other programs, applications, interfaces, tools and procedures.
- d) All HPRP System Object Code and Source Code documentation created, including, but not limited to, all technical, functional and other specifications, software build instructions, compilation instructions, file and record layouts and fields, schematics, flow charts, configuration documentation, developer annotations, programming notes and other programming and system documentation.
- e) All databases containing all HPRP Participant and Provider data in Contractor’s possession.
- f) All hardware, system and network design and configuration documentation describing or relating to the system environment for the HPRP System.
- g) All detailed written instructions on software installation, set up and operation of the HPRP System, created in the development of the system .
- h) All, customized, and Open Source Components, that is either:
 - integrated into the HPRP System; or
 - not integrated into the HPRP System, but is required for its development, correction, modification, maintenance or operation.
- i) Identification of all third-party software that is either:
 - integrated into the HPRP System;
 - not integrated into the HPRP System, but is required for its development, correction, modification, maintenance or operation.

j) All password and encryption details and related decryption tools, codes and programs for any encrypted, password-protected or otherwise security-locked software related to the HPRP System.

5.2 Contractor hereby grants the State the right and license to use all Deposit Materials in any manner and for any application or purposes consistent with its ownership rights under **Section 4.1**.

5.3 After final deposit of the Source Code to the State upon expiration or termination of the Contract or Change Notice, Contractor will have no further duties or obligation to the State to provide updates, enhancements, or modifications to the Source Code.

5.4 The State will pay for all costs and expenses associated with storage of the Deposit Material.

6. **Assignment of the HPRP Domain by Contractor.**

6.1 Assignment. Upon expiration or termination of the Contract for any reason, Contractor hereby agrees to transfer and assign to the State, or its designee, all of Contractor's right, title and interest in and to the domain name "www.HPRP.org" (the "**HPRP Domain**") and the registration thereof, including any Intellectual Property Rights relating thereto, to the extent any such Intellectual Property Rights exist.

6.2 Cooperation in Transferring Domain Name. Upon expiration or termination of the Contract for any reason, Contractor agrees to cooperate with the State and to follow the State's reasonable instructions in order to effectuate the transfer of the HPRP Domain registration in a timely manner. Specifically, Contractor agrees to prepare and transmit any necessary Registrant Name Change Agreement and or to correspond with GoDaddy.com, LLC (or any successor sponsoring registrar) to authorize transfer of the HPRP Domain.

7. **Contractor Transition Responsibilities.**

7.1 Subsection 2.174 of the Contract is hereby deleted in its entirety and replaced by **Section 7** of this Change Notice. All other subsections under Section 2.170 of the Contract remain the same and in force and effect. The terms of the Contract will control payment for any costs and expenses incurred by either party in complying with this Section. If the Contract or Change Notice expires or is terminated for any reason other than cause, then all reasonable costs and expenses incurred by Contractor in complying with Section 7 of this Change Notice and all other subsections under Section 2.170 of the Contract shall be timely reimbursed by the State.

7.2 If the State terminates the Contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor will provide to the State or to the

vendor selected by the State (such vendor shall be known as the “**Successor Contractor**”) reasonable assistance requested by the State to effect the orderly transition of all Services and the transfer of the HPRP System and the HPRP Domain to the State or to the Successor Contractor (such assistance shall be known as the “**Transition Services**”).

- 7.3 The Transition Services will include: (a) developing a plan for the orderly transition of the terminated Services from Contractor to the State or Successor Contractor; (b) Contractor will provide up to 10 hours of technical support for installation of the HPRP System upon the State’s successful creation of the required technical environment as described by Contractor in Section 5.1(f); (c) transferring the HPRP System, all related Documentation, and all State Data (defined below) to the State or Successor Contractor in a reasonably constructed format specified by the State; (d) cooperating with the State and following the State’s reasonable instructions in order to effectuate the transfer of the HPRP Domain registration in a timely manner; (e) using commercially reasonable efforts to make available to the State any third-party services then being used by Contractor in connection with the Services; and, (f) such other activities that the State may reasonably request as mutually agreed to by the parties.

8. **State Data**

- 8.1 Ownership. The State’s data (“**State Data**,” which shall also be known and treated by Contractor as Confidential Information) shall include: (a) the State’s data collected, used, processed, stored, or generated as the result of the Services; (b) personally identifiable information (“**PII**”) collected, used, processed, stored, or generated as the result of the Services, 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 listed herein; and (c) protected health information (“**PHI**”) collected, used, processed, stored, or generated as the result of the Services, as that term is defined under the Health Insurance Portability and Accountability Act of 1996 (“**HIPAA**”) and its accompanying Privacy Rule, 45 CFR §160.103. State Data is and shall 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 shall survive the termination of the Contract.
- 8.2 Contractor Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Services, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Services. Contractor shall: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Change Notice, the 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 Services, such use and disclosure being in accordance with this Change Notice, the 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 shall survive the termination of the Contract.

- 8.3 Extraction of State Data. Contractor shall, 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 a reasonably constructed format specified by the State.
- 8.4 Backup and Recovery of State Data. Unless otherwise described in the Statement of Work, as a part of the Services, Contractor is responsible for maintaining a backup of State Data and for an orderly and timely recovery of such data in the event that the Services may be interrupted.
- 8.5 Loss of Data. In the event of any act, error or omission, negligence, misconduct, or breach that compromises or is suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor shall, 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 and PHI, at the State's sole election, (i) notify the affected individuals who comprise the PII and PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within five (5) business days of the occurrence; or, (ii) reimburse the State for any costs in notifying the affected individuals; (d) perform or take any other actions required to comply with applicable law as a result of the occurrence; (e) without limiting Contractor's obligations of indemnification as further described in the Contract, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence; (f) be responsible for recreating lost State Data in the manner and on the reasonable schedule set by the State without charge to the State; and, (g) provide to the State a detailed plan within ten (10) business days of the occurrence describing the measures Contractor will undertake to prevent a future occurrence. Notification to affected individuals, as described above, shall 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 shall survive the termination of the Contract. Contractor is only responsible for any act, error, or omission, negligence, misconduct, or breach that compromises or is suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data that occurs while Contractor has possession, custody or control of such State Data. Notwithstanding anything to the contrary, Contractor's aggregate liability for a breach of this Section shall not exceed the total value of this Change Notice.

9. **Non-Disclosure of Confidential Information.** Section 2.100 of the Contract is hereby deleted in its entirety and replaced by Section 9 of this Change Notice. 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 shall survive the termination of the Contract.

9.1 **Meaning of Confidential Information.** For the purposes of this Change Notice and the Contract, the term "**Confidential Information**" shall mean 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 or is: (a) subject to disclosure under the Michigan Freedom Of Information Act; (b) already in the possession of the receiving party without an obligation of confidentiality; (b) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party's proprietary rights; (c) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (d) 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 Change Notice and the Contract, in all cases and for all matters, State Data shall be deemed to be Confidential Information.

9.2 **Obligation of Confidentiality.** The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third

parties other than employees, agents, or subcontractors of a party who have a need to know in connection with the Contract or to use such Confidential Information for any purposes whatsoever other than the performance of the 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 the 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.

- 9.3 Cooperation to Prevent Disclosure of Confidential Information. Each party shall use its commercially 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 shall advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of the Contract and each party will reasonably cooperate with the other party in seeking injunctive or other equitable relief against any such person.
- 9.4 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 the Contract or any Statement of Work corresponding to the breach or threatened breach.
- 9.5 Surrender of Confidential Information upon Termination. Upon termination of the Contract or a Statement of Work, in whole or in part, each party shall, within five (5) business 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 shall return State Data to the State following the timeframe and procedure described further in this Change Notice. Should Contractor or the State determine that the return of any non-State Data Confidential Information is not feasible, such party shall destroy the non-State Data Confidential Information and shall certify the same in writing within five (5) business days from the date of termination to the other party.

10. **Data Privacy and Information Security.**

- 10.1 **Undertaking by Contractor.** Without limiting Contractor's obligation of confidentiality as further described herein, Contractor shall be responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of the State Data; (b) protect against any anticipated threats or hazards to the security or integrity of the State Data; (c) protect against unauthorized disclosure, access to, or use of the State Data; (d) ensure the proper disposal of State Data; and, (e) ensure that all employees, agents, and subcontractors of Contractor, if any, comply with all of the foregoing. In no case shall the safeguards of Contractor's data privacy and information security program be less stringent than the safeguards used by the State, as those safeguards exist on the Effective Date.
- 10.2 **Right of Audit by the State.** Without limiting any other audit rights of the State, the State shall have the right to review Contractor's data privacy and information security program from time to time during the term of the Contract. During the providing of the Services, on an ongoing basis from time to time and with two (2) business days' notice, the State, at its own expense, shall be 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 forty-five (45) days of receipt, an audit questionnaire provided by the State regarding Contractor's data privacy and information security program.
- 10.3 **Audit Findings.** Contractor shall implement any required safeguards as identified by the State or by any audit of Contractor's data privacy and information security program. All reasonable costs and expenses incurred by Contractor in complying with this subsection shall be timely reimbursed by the State.
- 10.4 **The State's Right to Terminate for Deficiencies.** The State reserves the right, at its sole election, to immediately terminate this Change Notice or a Statement of Work without limitation and without liability if the State reasonably determines that Contractor fails or has failed to meet its obligations under this Section.

11. **HIPAA Compliance.**

- 11.1 The State and Contractor shall comply with all obligations under HIPAA and its accompanying regulations, including but not limited to entering into a business associate agreement, if reasonably necessary to keep the State and Contractor in compliance with HIPAA.

12. **Representations and Warranties of Contractor.** Contractor represents and warrants to the State that:

- 12.1 Contractor will perform all Services in a professional and workmanlike manner in accordance with generally recognized industry standards and practices for similar services, using personnel with the requisite skill, experience and qualifications, and shall devote adequate resources to meet its obligations under this Change Notice;
- 12.2 Contractor is in compliance with, and will perform all Services in compliance with, all applicable law;
- 12.3 The State will receive good and valid title to the HPRP System and related Work Product, free and clear of all encumbrances and liens of any kind;
- 12.4 When delivered, the HPRP System will not contain any Harmful Code;
- 12.5 The HPRP System will not contain, or operate in such a way that it is compiled with or linked to, any Open-Source Components, unless such open source components are approved in writing by the State, it being acknowledged that the State has approved the use of JQuery;
- 12.6 The HPRP System and all related Work Product, including all updates, upgrades, new versions, new releases, enhancements, improvements and other modifications thereof, is or will be the original creation of Contractor or its co-developer, DataSoph;
- 12.7 As delivered, installed, specified or approved by Contractor and used by the State, the HPRP System and the related Work Product: (i) will not infringe, misappropriate or otherwise violate any Intellectual Property Right or other right of any third party; and (ii) will comply with all applicable laws; and
- 12.8 No expiration or loss of any patent or application for patent rights in the HPRP System or related Work Product is pending, or, to Contractor's knowledge, threatened or reasonably foreseeable, and Contractor has no reason to believe that any claims of any such patent or patent application are or will be invalid, unenforceable, fail to issue, or be materially limited or restricted beyond the current claims, except for patent rights expiring at the end of their statutory term.

13. **Miscellaneous.**

- 13.1 Entirety. All terms, conditions, and specifications of the Contract not specifically modified in this Change Notice remain the same and in force and effect. The Contract, as modified by this Change Notice and the attached Statement of Work, represents the entire agreement and understanding between the parties and supersedes all prior and contemporaneous proposals or other agreements, oral or written, and all other communications between the parties, relating to the subject matter of the Contract. Where conflicts arise between this Change Notice and the Contract, this Change Notice shall govern.

- 13.2 Equitable Relief. Each party acknowledges that a breach by a party of the terms of this Change Notice may cause the non-breaching party immediate and irreparable harm, for which an award of damages would not be adequate compensation. Each party agrees that, in the event of such breach or threatened breach, the non-breaching party will be entitled to equitable relief, including in the form of orders for preliminary or permanent injunction, specific performance, and any other relief that may be available from any court. Such remedies will not be deemed to be exclusive but will be in addition to all other remedies available under this the Contract, at law or in equity, subject to any express exclusions or limitations in the Contract to the contrary.
- 13.3 Counterparts. This Change Notice may be executed in two or more counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

CONTRACTOR

STATE

Ulliance, Inc.

Department of Technology,
Management and Budget

Kent E. Shankey

By *Kent E. Shankey* 6-26-14

By _____

Its: *President + CEO*

Its: _____

EXHIBIT A

Statement of Work

The following Statement of Work defines the tasks to be performed by Contractor for successful development, implementation and hosting of the HPRP System. All capitalized terms not defined in this Statement of Work shall have the meanings given to them in the Change Notice and Contract.

1. **Project Managers.** The following individuals will oversee development and implementation of the HPRP System for contract management purposes (each, a “Project Manager”):
 - a. **For the State:**
Cedric Libiran
Department of Licensing and Regulatory Affairs
Manager, IT & Web Development Section
Phone: 517-335-1052
Email: LibiranC1@michigan.gov
 - b. **For Contractor:**
Stephen Batchelor
Vice President, Operations
Phone: 248-680-4611
Email: sbatchelor@ulliance.com
2. **General Requirements.** Contractor is obligated to develop the HPRP System, as a web-based, database software application that will facilitate intake and case management services for the HPRP Program. The HPRP System shall meet all of the Functional Requirements set forth in **Section 3** of this Statement of Work. Once the HPRP System has been tested and approved by the State, Contractor is required to host the HPRP System in accordance with **Section 10** of this Statement of Work. The HPRP System should be scalable and adaptable to meet future growth and expansion or contraction needs such that the application can be expanded on demand and be able to retain its performance levels when adding additional users, functions and data.
3. **Functional Requirements of the HPRP System.** The HPRP System must meet the following functional requirements (collectively, the “**Functional Requirements**”).
 - a. HPRP System Site Administrator
 - i. Upload providers and worksite monitors - Interface that allows an administrator to upload all demographic data regarding
 1. Worksite monitors
 2. MD/DO
 3. Therapists

4. Addictionist
 5. Addictionist Pain
 6. Addictionist-Psychologist
 7. Psychiatrist
- ii. Establish relationships between users - Allows the user to identify all worksite monitors and providers who are associated with a Licensee
 1. Feasible by Case Managers
 2. These relationships are viewable by
 - a. Case Managers
 - b. Program Director
 - iii. Reset Passwords - Allows the administrator the ability to reset a user password in the event the user is unable to
- b. Intake Manager
- i. Open new Licensee case
 1. Allows Intake Manager to create/open a new case
 - ii. View all assigned Intakes – Allows Intake Manager to view a list of all assigned cases
 1. Complete forms over time – allows for the completion of forms over multiple sessions rather than all at once.
 2. Review progress – progress bar that informs Intake Managers of the all sections that have been completed to date
 - iii. Input all intake data – Provides for all fields necessary to conduct a complete intake and store that data in one location
 - iv. Assign evaluator – allows for a field that identifies the evaluator referred/assigned to the Licensee
 - v. Indicate eligibility for program – allows for a field that identifies what type of program the licensee is eligible for
 - vi. In-put recommendations for program participation – allows for Intake Managers to enter descriptive data regarding recommendations for participation in the program
 - vii. Add and review case notes – Allows for Intake Managers to enter and review case notes related to each Licensee
 - viii. Download the following HPRP System forms
 1. DSM-IV Substance dependence checklist
 2. FirstLab enrollment instructions
 3. Participant handbook
 4. Quarterly sponsor report
 5. Release of information
 6. Request for change in Monitoring Agreement
 7. Request for vacation or leave
 8. Review of HPRP System decision
 9. Self-help attendance verification
 10. Special medical information

11. Summary assessment
12. Worksite Monitor handbook

c. Licensee

- i. Log in – Allows for a Licensee to log in to the web site with an ID number provided by the HPRP System
- ii. Create unique password - The user is required to create a new password on initial log in.
- iii. Complete monthly report – Allows for Licensees to complete monthly HPRP System reports
- iv. View previously completed monthly reports – Allows for Licensee's to view and print all previously completed monthly reports
- v. Download forms
 1. FirstLab enrollment instructions
 2. Participant handbook
 3. Quarterly sponsor report
 4. Release of information
 5. Request for change in Monitoring Agreement
 6. Request for vacation or leave
 7. Review of HPRP System decision
 8. Self-help attendance verification
 9. Special medical information

d. Case Manager

- i. Download HPRP forms
 1. DSM-IV Substance dependence checklist
 2. FirstLab enrollment instructions
 3. Participant handbook
 4. Quarterly sponsor report
 5. Release of information
 6. Request for change in Monitoring Agreement
 7. Request for vacation or leave
 8. Review of HPRP System decision
 9. Self-help attendance verification
 10. Special medical information
 11. Summary assessment
 12. Worksite Monitor handbook
- ii. View all assigned Licensees – Allows for Case Managers to view all assigned licensees and all related reports and case notes
- iii. View each Licensee's relationships – Allows the Case Manager to identify all provider and worksite monitors assigned/related to that Licensee
- iv. View completed reports related to each assigned Licensee and cases assigned to other Case Managers
 1. Self-reports
 2. Therapist reports

3. MD/DO reports
4. Worksite Monitor reports
5. Case notes
6. By Licensee
7. All Licensees
8. Add case notes by assigned Licensee and all Licensees - Print Case notes

e. Therapist

- i. View all assigned Licensees – allows for Therapists to view a list of all assigned Licensees
 1. Next report due date – informs Therapists of the next report due date for their Licensees
- ii. View previously completed reports – Allows Therapist to view all of their previously completed reports on their Licensees
- iii. View completed reports related to each assigned Licensee - Allows Therapist to view all other stakeholder's previously completed reports on their Licensees
 1. Self-reports
 2. Therapist reports
 3. MD/DO reports
 4. Worksite Monitor reports
- iv. Download HPRP System Forms
 1. DSM-IV Substance dependence checklist
 2. Return to work assessment
 3. Summary assessment
- v. View case notes
 1. Case Manager notes only
- vi. View relationships
- vii. Submit reports - Provides Therapist the ability to submit quarterly reports associated with each assigned Participant

f. MD/DO

- i. View all assigned Licensees
 1. Next report due date
- ii. Submit reports – Provides MD/DO the ability to submit quarterly reports associated with each assigned Participant
- iii. View previously completed reports related to each assigned Licensee
 1. Self-reports
 2. Therapist reports
 3. MD/DO reports
 4. Worksite Monitor reports
 5. View case notes
- iv. Download HPRP System Forms
 1. DSM-IV Substance dependence checklist
 2. Return to work assessment

3. Summary assessment

- g. Worksite Monitor
 - i. View all assigned Licensees
 - ii. Submit reports – Provide Worksite Monitor the ability to submit monthly reports associated with each of their Licensees
 - iii. View previously completed reports – Provides Worksite Monitors the ability to view all of their previously submitted reports associated with each of their assigned participants
- h. Forms
 - i. Advanced form logic – The ability of forms/reports to respond to items selected by the user requiring additional information or alerting the user to incomplete data prior to submission of the form.
 - ii. Form and report creation and print capability – The system will convert the completed form into a document suitable for printing and the printing of that document is feasible.
- i. Security
 - i. Password expiration policy – Requires users to change their passwords every six (6) months from prior change.
 - ii. Password change notification – Notifies user that password has expired and is required to be changed on initial set-up and every six months
 - iii. Server monitoring software – There are two (2) types of server monitoring software constantly monitoring the health of the servers that are used for the HPRP System. One of these is managed by the web hosting company, Liquid Web, Inc. , Inc. (or other entity as may be selected by Contractor and approved by the State). This software will send a designated employee at Contractor an email whenever it detects a major operational failure of the hardware. The other software is provided through Monitis (or other entity as may be selected by Contractor and approved by the State) who provides Contractor's IT staff ("IT staff") with 24/7 monitoring of web server status including website availability, length of time to move to website pages, hardware issues, and capacity issues. IT staff is notified in real time when an event occurs that may impact the operation of the website. Notifications of these events are sent to IT staff via smartphone (or other suitable technology at the discretion of Contractor) including escalation notices to Contractor's IT management if issues are not resolved within designated timeframes. Reports are e-mailed to IT staff weekly summarizing website performance.
- j. Open dialogue between stakeholders assigned to Licensee case – A section on each stakeholders screen that allows for open dialogue between all stakeholders assigned to the case. This will be in the format of group

messaging with each contributor identifiable in the message. The stakeholders that need to be able to dialogue are:

- i. Licensee
- ii. Case Manager
- iii. Therapist
- iv. MD/DO
- v. Pain Specialist
- vi. Worksite monitor

k. Reporting

- i. Number of participants – A report that indicates the number of participants who are active in the program
- ii. Limited demographic compilation – A report that indicates some demographic data on each Licensee, i.e. Discipline, reg, non reg, ID number, start date, assigned providers
- iii. Case Status – A report that indicates Reg, Non-Reg, type of MA, self-report due date
- iv. Open and closed cases – A report that indicates the number of open and closed cases within a given time frame. These will be broken down by other categories such as reg status and MA type.

4. **Enhancements to the HPRP System.** Contractor and the State have identified the following additional functional components that may be incorporated into the HPRP System (collectively, the “**Enhancements**”). Contractor has agreed to develop these Enhancements at no extra cost to the State, provided Contractor has reasonably available time and resources to allow for such development.

- a. Alerts to Case Manager – Functionality that alerts Case Managers to issues requiring prompt attention
 - i. Late/missing reports
 - ii. Regarding sensitive answers to questions per report
 - iii. Communications from stakeholders
- b. Reporting of any combination of demographic data – A report wizard that allows the HPRP Director to generate reports with a variety of combinations of Licensee and program data.
 - i. Document library with miscellaneous forms for the end user – A section on the site that stores documents specific to each participant (e.g. Releases, AA Attendance, MA’s, Addenda, etc.)
 - ii. Access by State entities to regulatory cases by assigned personnel – User access to specifically authorized State personnel to view all HPRP System information regarding Regulatory Participants on a read only basis.
 - iii. MD/DO, Psychiatrist, Pain Specialist evaluations entered online – The ability for Evaluators to complete an entire HPRP evaluation within

- the HPRP System website.
- iv. Monitoring agreements created in system – The ability for Intake Managers to create and save complete Monitoring Agreements within the HPRP System website.
 - v. Monitoring agreements available to Licensee online – Monitoring agreements accessible to the associated licensee for view and printing.
 - vi. Team review documents and process conducted in the HPRP System - Functionality that allows for team reviews to be conducted in the system in real time that identifies all participants in the review and their final recommendations.
 - vii. Changes to Monitoring Agreement performed in the HPRP System – Functionality that allows for the generation of a change to Monitoring Agreement request to the generation of an addendum.
 - viii. Releases signed digitally online by Licensee. – Licensees will sign releases on line as they are created by Intake and Case Managers.
 - ix. Step 1 and 2 documents completed in the HPRP System and available to stake holders in the HPRP System – Licensees will complete step 1 and step 2 documents online.
 - x. Closed case documents available in the HPRP System to all appropriate stakeholders – All case documents created and/or stored in the system will be saved until 5 years of non-HPRP involvement has occurred. All of this data will be deleted according to policy.
 - xi. Document library for scanned in documents associated with each case – Hard copy documents not created by the HPRP System will be stored in the HPRP System after being scanned/converted to pdf and saved in system associated to the participant.
 - xii. Preferred provider network in system – All HPRP providers and associated contact information will be stored and accessible in the system. Identification of those preferred providers will be included
 - xiii. Provider scoring process in system. – The system will identify preferred providers through a scoring system accounting for such factors as timeliness of reports, compliance with policy, etc.
 - xiv. Evaluation process in system – Functionality that provides users to evaluate the system and provide feedback as to its User Friendliness. This will provide the program feedback that can be used to continually improve the functionality of the system.
 - 1. For Providers
 - 2. For Licensees
 - 3. For Worksite Monitors
 - xv. Ability to track multiple cases for a Licensee. – Functionality that allows the user to view all data regarding Participants multiple episodes in the program where it applies.
 - xvi. Auto 5 year purge for closed Licensees – Functionality that generates a report of all cases that meet requirements for post 5 year involvement deletion along with the functionality that completely deletes all records authorized for deletion by the Program Director.

5. **Disaster Recovery Plan.** Contractor must provide a disaster recovery plan (the “**Disaster Recovery Plan**”) to the State within fifteen (15) business days of the Effective Date. The Disaster Recovery Plan will include co-location information, software recovery, data recovery, and a plan outlining the timeframe for disaster recovery. The Disaster Recovery Plan must be implemented prior to the HPRP System going live into production mode.
6. **Contractor System Testing.** Upon completion of the HPRP System, Contractor must perform system testing to verify that the HPRP System is complete and conforms with the Functional Requirements set forth in Section 3 of this Statement of Work (“**System Testing**”). Upon completion of System Testing, Contractor must notify the State in writing that: (1) it has performed the required System Testing, (2) it has corrected any error or defect discovered during System Testing, and (3) the HPRP System is in a suitable state of readiness for the State’s testing and approval.
7. **State Acceptance Testing.**
 - a. For a period of thirty (30) business days, which period shall commence on the first business day after Contractor has delivered the written notification required under **Section 6** of this Statement of Work (the “**State Review Period**”), Contractor shall provide the State full access and use of the HPRP System to permit the State to test the HPRP System and determine if it properly functions in accordance with the Functional Requirements set forth in Section 3 of this Statement of Work.
 - b. During the State Review Period, the State may, at the option of the State’s Project Manager, notify Contractor in writing of any error or defect within a reasonable time after it is determined such error or defect exists so that Contractor can commence making any needed changes, modifications, adjustments, or repairs to the HPRP System.
 - c. The State’s Project Manager shall notify Contractor in writing of its acceptance or rejection of the HPRP System, within five (5) business days after the end of the State Review Period. If the State accepts the HPRP System in writing, or fails to respond to Contractor within the timeframe set forth above, this shall be deemed to be the State’s “**Final Acceptance.**” If the State rejects the HPRP System, its Project Manager shall specify the reasons for such rejection in writing, which reasons shall specify the Functional Requirements that the HPRP System failed to meet. Upon receiving written notice of rejection, Contractor shall have ten (10) business days within which to either: (i) modify, repair, adjust, or replace the HPRP System or (ii) set forth in writing the reasons the HPRP System meets the Functional Requirements specified in the State’s notice. Any dispute as to whether the HPRP System objectively meets the Functional Requirements shall be impartially determined by DTMB Procurement. If Contractor modifies, repairs, adjusts, or replaces the HPRP System, then the State shall have ten (10) additional business days to retest the HPRP System to confirm

its proper operation and shall notify Contractor in writing of any rejection in the same manner as specified above, or of its Final Acceptance.

8. **Completion of the HPRP System Timetable.** Contractor shall complete the Functional Requirements of the HPRP System as timely as reasonably possible, but in no event later than August 31, 2014, and Contractor shall not be entitled to receive the Fee specified in **Section 3.1** of the Change Notice until such Functional Requirements are completed and Final Acceptance is obtained. If Contractor is unable to complete the Functional Requirements of the HPRP System, including Final Acceptance, by December 31, 2014, the State shall have the option to terminate this Change Notice by written notice from its Project Manager.

9. **Compensation.**

- a. **Fee for Final Acceptance.** Contractor shall be entitled to the Fee specified in Subsection 3.1 of the Change Notice upon Final Acceptance by the State.
- b. **Invoicing and Payment.** Contractor may invoice the State for the Fee within five (5) business days after Final Acceptance by the State. Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 PA 279, MCL 17.51 *et seq.*, within 45 days after receipt of invoice, provided the State determines that the invoice was properly rendered.

10. **Hosting.**

- a. Contractor will provide ongoing support for the HPRP System once it has been accepted by the State and has gone live into production mode. Contractor will host the HPRP System within the United States of America using Liquid Web, Inc.'s (or other entity selected by Contractor and approved in writing by the State) ("**Liquid Web**") Dedicated Hosting solution as the hosting environment. Liquid Web will be a subcontractor of Contractor for this purpose, and, as such, Contractor agrees to accept all liability for any hosting agreement with Liquid Web. The service level agreement and terms of service for Liquid Web's hosting environment can presently be found at the following links:
 - i. <http://www.liquidweb.com/about/dedicatedsla.html>
 - ii. <http://www.liquidweb.com/about/dedicatedtos.html>
- b. Contractor shall give the State not less than thirty (30) days advance written notice of any material change to Contractor's agreement with Liquid Web or to where the HPRP System is being hosted. The State may terminate this Change Notice if it determines, in its reasonable discretion, that such material change is not in the reasonable best interest of the State, with such termination effective only after giving Contractor thirty (30) days advance written notice thereof and Contractor fails to remedy such agreement to the reasonable satisfaction of the State within such thirty-day period.

- c. The State shall have the option, in its reasonable discretion, of selecting an alternative hosting provider. It shall give Contractor not less than ninety (90) days' notice of its desire to do so and shall provide Contractor reasonable cooperation and assistance required for such transition. All reasonable costs and expenses incurred by Contractor in complying with this subsection shall be timely reimbursed by the State.
- d. Any third-party hosting environment on which the HPRP System is hosted shall meet the applicable requirements of the Change Notice and Contract. The State shall have no direct contractual relationship with the hosting provider, nor any obligation to manage Contractor's relationship with such hosting provider.
- e. Availability Requirement. Contractor shall make the HPRP System Available (defined below), as measured over the course of each calendar month during the term of the Contract (each such calendar month, a "Service Period"), at least ninety nine point five percent 99.5% of the time, with the exception of planned service and maintenance, which must occur outside of normal business hours (the "Availability Requirement"). For the HPRP System, the State defines normal business hours as Monday through Friday from 8:00 a.m. to 5:00 p.m. Eastern Standard Time. "Available" means the HPRP System is available and operable for access and use by its end users in full conformity with the Functional Requirements. The HPRP System is not considered Available in the event of any performance degradation or inoperability of the HPRP System, in whole or in part.
- f. Availability Reports. Within thirty (30) days after the end of each Service Period, Contractor shall provide to the State a report describing the Availability and other performance of the HPRP System during that Service Period as compared to the Availability Requirement. The report shall be in electronic or such other form as the State may approve in writing and shall include: (a) the actual performance of the HPRP System relative to the Availability Requirement; and (b) if the HPRP System performance has failed in any respect to meet or exceed the Availability Requirement during the Service Period, a description in sufficient detail to inform the State of the cause of such failure and the corrective actions the Contractor has taken and will take to ensure that the Availability Requirement is fully met.

11. **Reporting.** Progress reports will be provided to the State by Contractor on a monthly basis and will include:

- a. A narrative and summary of approximate completion percentage for all functional items under development.
- b. Dates that new functional items are moved to production.
- c. Contractor will provide the State written notice of any complaint initiated by any user dealing with HPRP System functionality that is not the result of user error.

Kurt E. Sharby 6-26-14
President & CEO

Exhibit A-10

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

**NOTICE
 OF
 CONTRACT NO. 071B2200286**
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Ulliance, Inc. 901 Wilshire Dr., Ste. 210 Troy, MI 48084	Stephen Batchelor	sbatchelor@ulliance.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 680-4611	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	LARA	LeAnn Droste	(517) 373-3847	drostel1@michigan.gov
BUYER:	DTMB	Jim Wilson	(517) 241-1916	wilsonj4@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Administration of the Health Professional Recovery Program			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 Yrs.	September 1, 2012	August 31, 2015	2, 1 Yr. Options
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:			\$5,778,308.00

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

CONTRACT NO. 071B2200286
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Ulliance, Inc. 901 Wilshire Dr., Ste. 210 Troy, MI 48084	Stephen Batchelor	sbatchelor@ulliance.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 680-4611	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	LARA	LeAnn Droste	(517) 373-3847	drostel1@michigan.gov
BUYER:	DTMB	Jim Wilson	(517) 241-1916	wilsonj4@michigan.gov

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ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
The terms and conditions of this Contract are those of solicitation # 071I1300119 and this Contract Agreement. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:			\$5,778,308.00

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #071I1300119. Orders for delivery will be issued directly by the **Department of Technology, Management & Budget** through the issuance of a Purchase Order Form.

FOR THE CONTRACTOR:

Ulliance, Inc.

Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Jeff Brownlee, Chief Procurement Officer

Name/Title

DTMB Procurement

Enter Name of Agency

Date



STATE OF MICHIGAN
Department of Technology Management and Budget
Procurement

Contract No. [071B2200286](#)
Program Administration Services
for the Michigan Department of Licensing and Regulatory Affairs

Buyer Name: [Jim Wilson](#)
Telephone Number: [517-241-1916](#)
E-Mail Address: wilsonj4@michigan.gov

Table of Contents

Attachment A, Pricing

DEFINITIONS

24x7x365 means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).

Additional Service means any Services within the scope of the Contract, but not specifically provided under any Statement of Work.

Audit Period means the seven year period following Contractor's provision of any work under the Contract.

Bidder(s) are those companies that submit a proposal in response to the RFP.

Business Day means any day other than a Saturday, Sunday or State-recognized legal holiday from 8:00am EST through 5:00pm EST unless otherwise stated.

Blanket Purchase Order is an alternate term for Contract and is used in the Plan Sponsors' computer system.

CCI means Contract Compliance Inspector.

Days means calendar days unless otherwise specified.

Deleted – N/A means that section is not applicable or included in the RFP. This is used as a placeholder to maintain consistent numbering.

Deliverable means physical goods and/or services required or identified in a Statement of Work.

DTMB means the Michigan Department of Technology Management and Budget.

Environmentally Preferable Products means a product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to: those which contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.

Hazardous Material means any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).

Incident means any interruption in any function performed for the benefit of a Plan Sponsor.

Key Personnel means any personnel identified in **Section 1.031** as Key Personnel.

New Work means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, such that once added will result in the need to provide the Contractor with additional consideration. "New Work" does not include Additional Service.

Ozone-depleting Substance means any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydrochlorofluorocarbons.

Post-Consumer Waste means any product generated by a business or consumer which has served its intended end use; and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.

Post-Industrial Waste means industrial by-products which would otherwise go to disposal and wastes generated after completion of a manufacturing process, but does not include internally generated scrap commonly returned to industrial or manufacturing processes.

Recycling means the series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.

Reuse means using a product or component of municipal solid waste in its original form more than once.

RFP means a Request for Proposal designed to solicit proposals for services.

Services means any function performed for the benefit of the State.

SLA means Service Level Agreement.

Source Reduction means any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.

State Location means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.

Subcontractor means a company selected by the Contractor to perform a portion of the Services, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.

Unauthorized Removal means the Contractor's removal of Key Personnel without the prior written consent of the State.

Waste Prevention means source reduction and reuse, but not recycling.

Pollution Prevention means the practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.

Work in Progress means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

Work Product refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by the Contract.

Article 1 – Statement of Work (SOW)

1.010 Project Identification

1.011 Project Request

The expectation of this Contract is to secure one Contractor to act as a consultant and to assist the Michigan Department of Licensing and Regulatory Affairs (LARA), through the Bureau of Health Professions and the Health Professional Recovery Committee (HPRC), with the administration of the Health Professional Recovery Program (HPRP).

This is a Contract for LARA, Bureau of Health Professions which is responsible for licensing and regulating the health professions established under Article 15 of the Michigan Public Health Code. These professions include: Acupuncturists; Allopathic Physicians; Athletic Trainers; Audiologists; Chiropractors; Counselors; Dentists, Dental Hygienists and Dental Assistants; Dieticians/Nutritionists; Marriage & Family Therapists; Registered Nurses, Licensed Practical Nurses; Nursing Home Administrators; Occupational Therapists & Assistants; Osteopathic Physicians; Optometrists; Pharmacists; Physical Therapists; Physician's Assistants; Podiatrists; Psychologists; Respiratory Therapists; Sanitarians; Speech Language Pathologists, Social Workers; Veterinarians and Veterinarian Technicians; and any future professions as designated by the Department.

1.012 Background

Nationally and in Michigan, a frequent cause of regulatory action against health care professional licensees or registrants involves substance use and/or mental health disorders that lead to impaired practice or has the potential to lead to impaired practice. These behaviors may include, as examples, the diversion of prescription drugs in the workplace, the use of illegal/illicit drugs, alcohol abuse or alcoholism, severe depression that causes problems within the workplace, or mood/personality disorders.

Public Act 80 of 1993 established the HPRP as a confidential, non-disciplinary, treatment-oriented approach to address these public health and safety issues while assisting licensees in their recovery. To be involved in the program, licensees must be willing to: (1) Acknowledge their condition; (2) Seek and complete appropriate treatment; (3) Refrain from working as determined necessary by the Contractor and any applicable policies of the Committee; and, (4) Abide by a written monitoring agreement.

The goal of the Bureau of Health Professions, together with the Committee, is to operate the HPRP in a manner that:

- 1.) Protects the public by providing a service that encourages those health care professional licensees suffering from substance use and/or mental health disorders to seek treatment and maintain recovery.
- 2.) Provides a program environment that monitors licensees seeking treatment and ensures that the monitoring agreement developed and agreed to between the Contractor and the licensee is tailored to their specific situation.
- 3.) Provides program staff knowledgeable of the disease process of addiction and mental health concerns, and the ability to provide firm guidance and controls as needed.
- 4.) Provides for two program monitoring tracks: one track is for licensees who voluntarily seek assistance and monitoring and a second track for licensees who are directed to participate in the monitoring program as part of the disciplinary process.
- 5.) Ensures the confidentiality of those licensees whose involvement with the program is on a voluntary basis.
- 6.) Provides monitoring of those licensees whose involvement with the program is mandated by a board or disciplinary subcommittee as a condition of maintaining their license or registration.

The HPRP is NOT a treatment program. The HPRP does not provide intervention, evaluation, treatment, or continuing care services. The HPRP is a monitoring program that coordinates services between participants and approved service providers. Program participants are responsible for paying all costs associated with the treatment services they receive.

1.020 Scope of Work and Deliverables

1.021 In Scope

The authorizing legislation requires that the Department enter into a contract with a private entity to act as a consultant to assist the HPRC with administration of the HPRP. The Contractor must:

1. Demonstrate that it has expertise and knowledge regarding the treatment of impaired health professionals due to substance use and/or mental health disorders;
2. Maintain a computer generated database that will facilitate intake and case management services;
3. Compile and provide statistics to the State and the Committee regarding the types of participants, successes and relapses and other data for analysis of the recovery program;
4. Maintain an in-state office for the program;
5. Maintain the www.hprp.org website regarding the program and update the website as required or directed;
6. Staff the toll-free telephone line during established hours of operation for receiving HPRP referrals, responding to program participants and/or their service providers;
7. Identify a single laboratory or third party administrator having the appropriate knowledge, skills, abilities and locations for program participants to undergo randomized urine drug screening on a state-wide basis;
8. Utilize a team approach for monitoring individual cases which includes a Medical Consultant to assist in decision-making;
9. Identify and approve treatment provider and facilitate meetings with approved treatment providers to establish consistency in statewide recovery and monitoring efforts for health professionals;
10. Attend various required meetings as further described under Section 1.104.

1.022 Work and Deliverable

Contractor must provide a work plan with deliverables and staffing plan for the following key areas of the consulting services in this Contract:

A. PROGRAM TRANSITION & STARTUP:

Task 1: Program Transition & Startup:

The Work Plan must include the Contractor's process and timetable for staffing their office, and informing participants and service providers of any change in contractors. This office must be established in Michigan and hours of operation must be from at least 8:00 am to 5:00 pm, Monday - Friday.

The State of Michigan and LARA, Bureau of Health Professions, retains ownership of the toll-free telephone line and will pay all costs associated with its operation. Invoices are submitted by the toll-free carrier directly to the HPRP Contract Administrator for payment. The Contract Administrator will assist the Contractor in establishing the toll-free telephone line in their office.

Deliverables:

- Within 30 days of the Contract award, the Contractor must report to the Contract Administrator on the status of the new office. The report must include, at a minimum, the status of staffing and equipping the office, installation and implementation of the participant tracking program implementation of the toll-free telephone line and draft communication for review regarding changes in contractors to service providers, participants, and other stakeholders.
- The Contractor must ensure that all telephone calls are responded to within twenty four hours Monday through Friday or one business day after a weekend or holiday inquiry.

Task 2: Technical Issues:

The Work Plan must include the Contractor's ability to house the database program, set up email accounts and obtain a secure Internet access, as specified under Additional Terms and Conditions specific to the RFP, Section 1.071.

Deliverables:

At the end of the first month of the Contract, the Contractor must report to the Contract Administrator the status of the participant tracking program, including any problems encountered and anticipated completion dates if necessary. The report must also include progress regarding the transition of participant records from prior contractor, if appropriate.

By October 31st of each Contract year, the Contractor must submit a draft Executive Summary, together with appropriate statistical information, for the annual report as required by law. This information must be submitted in editable electronic format to the Contract Administrator for review by the Data Subcommittee of the Committee, with ultimate approval by the Committee. Data from prior contractor should be available for inclusion in any annual report that includes them.

B. CASE MANAGEMENT:

Task 3: Intake Services:

Licenses may be referred to the HPRP by the following sources:

Voluntary

- Licensee self-referral that can occur before, during, or following treatment.
- Colleagues/coworkers/family members.
- Employers.
- Employee Assistance Programs (EAPs) – Sometimes a self-report is made at the direction or suggestion of the EAP.

Regulatory

- The Department in lieu of taking regulatory action.
- Michigan Department of Attorney General, Licensing & Regulation Division, as a precursor to settle pending regulatory actions.
- Regulatory action imposed by the Department or its Professional Boards as part of the disciplinary process or REINSTATEMENT PROCESS.
- The Licensing Division of the Department as a requirement of securing a professional license.

The Work Plan must include the Contractor's intended intake process for gathering information from these various sources that captures, at a minimum, data needed to determine an appropriate course of action, data needed for statistical reporting, background information on the referred licensee, and the Contractor's anticipated course of action, consistent with the requirements as directed in the Committee approved HPRP Policy and Procedure Manual (**See Appendix B**). This information must include, but is not limited to, how the Contractor anticipates setting up files to monitor case progression, what the criteria is to determine compliance or noncompliance, and how the Contractor intends to capture statistical information needed for reporting requirements, consistent with HPRP policies and procedures.

Deliverables:

- Within 30 days of the Contract award, the Contractor must provide a report to the Contract Administrator that details the intended Intake process as well as the Contractor's ability to adhere to the 45 calendar day timeframe for completion of the Intake process as articulated under Section 206 of the HPRP Policies and Procedures.

- Program participants at the Intake phase must be provided their proposed monitoring agreements within 10 business days following receipt of an evaluation. An approved treatment service provider, whose evaluation identifies the participant as appropriate for program monitoring, must conduct this evaluation.

Task 4: Case Monitoring Services:

The Work Plan must include the Contractor's intended process for ensuring that program participant case files are timely and appropriately monitored for compliance or noncompliance, either during the Intake phase or following negotiation of a monitoring agreement between the Contractor and the program participant. The plan must address, at a minimum, issues pertaining to positive urine drug screens, reports from service providers, plan of action for missing documentation from participants, and the process for reporting noncompliant participants to the MDCH as required by law.

The Work Plan must include a description of how a monitoring agreement will be developed that establishes the expectations, terms and conditions a participant must follow in order to address their substance use and/or mental health disorder. If a licensee is referred to the program as a result of a board or disciplinary subcommittee order, any terms and conditions imposed by these bodies must be incorporated into the monitoring agreement and these terms and conditions supersede any conflicting requirements of a monitoring agreement.

In addition, the Contractor's work plan must include the intended process for maintaining the confidentiality of participant files, and for storage and destruction of case files when a licensee's file is closed following successful completion of the program. If there has been no readmission within five years of closure of a file that involves a voluntary participant, the case file must be destroyed pursuant to State law.

Deliverables:

- Within 30 days of the Contract award, the Contractor must submit, for approval by the Contract Administrator, a draft copy in editable electronic format of the monitoring agreement the Contractor proposes to use for program participants.
- Within 60 days of the Contract award, the Contractor must submit for approval by the Contract Administrator, the intended process for ensuring participant confidentiality and the intended process for destruction of confidential program information.

Task 5: Ensure Continuation of Existing Monitoring Agreements:

The prior Contractor is expected to provide the records of participants currently in the monitoring program. The Contractor must develop a plan for evaluation and continuance of existing monitoring agreements.

Deliverables:

- Within 60 days of the Contract award, the Contractor must submit a report to the Contract Administrator outlining the intended process for maintaining the continuity of the existing monitoring agreements to ensure ongoing monitoring of participants.

Task 6: Ensure Continuation of the Pain Management Component:

The HPRP recognizes that some health care providers suffer from chronic pain issues. Current HPRP policies include criterion for identifying chronic pain management providers and how interaction must occur to appropriately monitor participants involved with the Pain Management component of the program. To that end, the Work Plan must address how this component of the program will be maintained and how the Contractor will ensure that their list of providers includes specialists in the treatment of pain management issues, subject to HPRP Policies and Procedures (**refer to Appendix B**).

Deliverables:

- Within 90 days of the Contract award, the Contractor must submit a report to the Contract Administrator on this component of the program. This report must include the number of participants in this component, whether participants' pain issue is being satisfactorily controlled, whether participants are able to or anticipate being able to return to work in their chosen field, any issues encountered during this period and how they were resolved, and recommendations, if any, for policy changes or improvements.
- Within 90 days of Contract award, the Contractor must provide a list of providers who have been identified as specialists in the treatment of pain management issues.

Task 7: Evaluation and Program Improvement:

The Work Plan must address the Contractor's anticipated process for ongoing evaluation of the program's operation that includes, but is not limited to, strategies for improving program utilization, strategies to increase program effectiveness and suggested revisions to HPRP policies and procedures, if appropriate. In addition, the Contractor must provide the Committee with updates regarding the program at the quarterly meetings held in Lansing. The Contract Administrator will provide these meeting dates following issuance of the Contract.

At the State's discretion, an independent evaluator, selected and paid for by the State, will perform periodic evaluations of the Contractor's performance with regard to this contract. The frequency of these evaluations will be determined by the State.

Deliverables:

- The Contractor must meet with the Contract Administrator at least once each month, for the first six months of the contract, to discuss problems (real or anticipated), strategies for program improvement, program statistics and any other relevant issues. Additional meetings will be held as needed or requested by either party.
- The Contractor must fully and cooperatively agree to allow the State's chosen evaluator full access to any and all records pertaining to this program. A minimum of 24 hours notice will be given the Contractor when the chosen evaluator will be conducting on-site visits.
- Recommendations for policy revisions, if appropriate, can be submitted to the Contract Administrator at any time. The Contract Administrator will forward those recommendations to the Clinical Policy subcommittee of the Health Professional Recovery Committee for review and consideration. The Contractor will be timely notified so it can participate in any resultant discussions.

Task 8: Urine Drug Screening:

The Work Plan must provide the name and company information of the proposed subcontractor to provide the statewide, randomized urine drug screening of program participants, The subcontractor is subject to MDCH approval based on how the statewide urine screen company was selected, rates for screens & references, & type of drug screens. The Primary Contractor and the subcontractor for this service cannot be the same entity in order to avoid any potential conflict of interest issues or appearances of impropriety. The Contractor must ensure that its subcontractor's agreement for this service includes a 90 day grace period in the event of the contract's cancellation under Section 2.150 of this Contract. The proposed subcontractor must meet all conditions and criteria set forth in the HPRP Policy and Procedures Manual.

Deliverables:

Within 30 days following issuance of the Contract award, the Contractor must provide to the Contract Administrator for approval, the name and company information of the proposed subcontractor to provide the statewide, randomized urine drug screening of program participants.

The chosen subcontractor for this service will be required to provide a presentation of their services, in person, to the HPRC chairperson, the Contract Administrator and any other department or HPRC representative as determined by the Department. The date, time, and place of this presentation will be coordinated between the Contractor and the Contract Administrator to be held not more than 30 days after selection as the subcontractor. Within 30 days following this presentation, the Contractor will be notified by the Contract Administrator as to the acceptance or rejection of the proposed subcontractor. The Contractor must not enter into any formal agreements with a proposed subcontractor for these services until receiving approval by the Contract Administrator.

The chosen subcontractor will provide the Contract Administrator access to drug screen results for all participants who have been referred by the Department or its designees. The participants are responsible for the cost of drug screens.

Task 9: Medical Consultant:

The Work Plan must include the credentials of the Contractor's proposed Medical Consultant who will assist and provide direction for the Contractor's staff. The Work Plan must include whether this position will be part-time or full-time, and the anticipated weekly work hours. Issues that require their expertise may include, but are not limited to, review of positive drug screen results, patterns of noncompliance, a participant's medical condition if that issue affects the participant's involvement with the HPRP, medication usage, etc.

Deliverables:

- Within 30 days following issuance of the Contract, the Contractor must provide to the Contract Administrator, in writing, the name and curriculum vitae of the proposed Medical Consultant subcontractor who will provide these services.
- Within 30 days of receiving the name and curriculum vitae of the proposed Medical Consultant, the Contract Administrator will arrange an interview with the proposed Medical Consultant to include, at a minimum, the Committee chairperson, the Contract Administrator and any other department or Committee representative as determined by the Bureau of Health Professions. The date, time, and place of this interview will be coordinated between the Contractor and the proposed Medical Consultant.
- Within 10 business days following this interview, the Contractor will be notified by the Contract Administrator as to the acceptance or rejection of the proposed Medical Consultant. The Contractor must not enter into any formal agreements with a proposed Medical Consultant subcontractor for these services until receiving approval by the Contract Administrator.

Task 10: HPRP Treatment Service Provider Network:

Because the HPRP is not a treatment program, the program relies on an extensive statewide network of approved treatment service providers. These providers must have the education, skills, and training to ensure that program participants are appropriately treated and monitored. The criteria these providers must meet are further articulated in Section 401 of the HPRP Policies and Procedures Manual (**refer to Appendix B**). In certain situations such as a participant's special needs, for insurance coverage reasons or lack of approved providers in the participant's area of the State, exceptions can be made to allow for involvement by an unapproved provider at the discretion of the Medical Consultant and the HPRP management staff. Participants must be given a list of approved providers available. A partial list can be provided of providers in the geographic region but the full list of approved providers must be available to a participant upon request.

The Contractor must be able to identify gaps in the State where more treatment service providers are needed; the types of treatment service providers needed; and a mechanism by which to evaluate potential treatment service providers through surveys and/or training seminars. The Contractor must request the Contract Administrator to conduct site visits to determine whether the programs and/or services provided meet criteria.

Deliverables:

- Within 90 days of the Contract award, the Contractor must provide a written report to the Contract Administrator identifying current service providers by expertise and location. The Contractor must also submit proof of credential verification with this report. This includes the provision of a list of approved providers.
- Within 90 days of the Contract award, the Contractor must provide a written report to the Contract Administrator that identifies areas of the State where additional service providers are needed, the types of service providers needed (i.e., substance use, mental health and/or pain management providers). Contractor must provide a written plan, with a timetable, for and a plan and timetable for periodic credential verification of current treatment service providers.
- The Contractor must also identify the methods by which new treatment providers will be solicited and evaluated.
- The Contractor must also identify the methods by which existing treatment providers will be evaluated for continued participation.
- On a quarterly basis, the Contractor must provide to the Contract Administrator and the HPRC a list of current treatment service providers, identifying new treatment service providers identified during the reporting period including their specialty or expertise and those treatment service providers removed from the approved treatment service provider list and the reasons why.
- Upon availability, the Contractor will be required to utilize the State of Michigan Provider Credentials Center (MiPCC), or successor program, to determine acceptability of potential treatment service providers and the current network of treatment service providers.

Task 12: Contractor Business Ownership Information:

As part of the Work Plan response, the Contractor is to describe the ownership of any other business it conducts with a special emphasis on any potential conflict of interest among the various businesses and how it will ensure that State funds paid under this Contract are used solely for this Contract. Any associated businesses that may be held under a different corporate name are also to be described and the above issues addressed.

Task 13: Payment of Funds:

The payments of funds associated with the HPRP Contract are to be used solely for those services as outlined in this Contract. These services include, but are not limited to: salaries, wages and fringe benefits (including portions thereof); professional services such as legal services, bookkeeping/accounting services, payroll services, or other contractual services; travel costs to meetings at State approved rates and other direct and indirect expenses, such as rental of office space, telephones, postage, office supplies and utilities. The use of State funds paid to the Contractor may not be used for any other business pursuits, projects, or programs of the Contractor.

C. REPORTS AND MEETINGS:

Task 14: Status Reports:

The Contractor is required to submit monthly written status reports to the Contract Administrator. The content and format of these reports will be determined by the Contract Administrator following issuance of the Contract.

Task 15: HPRC Meetings:

The Contractor is required to participate at each Committee meeting. Currently, the meetings are held in March, June, September and December. Following issuance of the Contract, the Contract Administrator will provide the meeting dates, times and locations to the Contractor.

Deliverables:

For each Committee meeting, the Contractor must provide a written and oral report to the Committee that describes, at a minimum:

- The total number of voluntary and regulatory program participants enrolled in the program during the previous quarter.
- The number of new voluntary and regulatory program participants enrolled in the program during the previous quarter.
- The number of voluntary and regulatory program participants discharged, including non-compliant discharges during the previous quarter.
- Any treatment service provider issues during the previous quarter and the resolution to those issues, or request for Committee guidance.
- Any treatment service provider audits conducted in the previous quarter.
- Problems or concerns identified with the HPRP's Policies and Procedures as approved by the Committee.
- Pending issues that require direction from either the Contract Administrator and/or the Committee.
- Recommendations for program improvement or policy changes/additions/deletions.

Task 16 Annual Report:

State law requires that the Committee submit an annual report regarding each health professional board. This report must contain, at a minimum, statistical information on the level of participation in the program of each health profession. With a possible exception for the initial Contract year, the report will cover the time period of October 1 through September 30th.

Deliverables:

Using information garnered from the data contained in the Department-approved database and updated daily by the Contractor and data from the prior Contractor, if appropriate, the Contractor must provide an editable electronic draft of the proposed annual report for review by the Data Subcommittee of the full Committee. This draft report shall be provided to the Contract Administrator by October 15th and must include a draft Executive Summary. Upon request, the Contract Administrator will provide a copy of the previous Annual Report for review by the Contractor.

NON-NEGOTIABLE ITEMS:

- 1.) The Department retains ownership of the toll-free telephone line for the program. This is the only contact number, with appropriate extensions, that will be used for the program, program participants and service providers. If the Contractor chooses to provide cellular telephone numbers or direct line numbers for direct contact with program staff, it will be at their discretion and their cost.
- 4.) The Department maintains ownership of the data for both regulatory and voluntary participants and the tracking of their case records. The Department needs electronic access to the records for regulatory participants only on a daily basis. Voluntary records will be made available upon special request for auditing purposes only and are not subject to Freedom of Information requests. The Contractor is responsible for providing all electronic records to the Department during the Contract period. The Contractor will also be responsible for transferring all regulatory and voluntary participant records to a new Contractor at the conclusion of the Contract period.

The prior Contractor purchased a program with State funds for tracking participants that would be available to a new Contractor, if desired.

- 5.) The Contractor must host, update and maintain the www.hprp.org domain and website for use by anyone requesting information about the HPRP. This will include providing programming services, technical support and email services for the HPRP.org domain.

The current website consists of standard HTML and adobe Acrobat PDF pages. Additional functionality is planned for the site utilizing dynamic ASP.net pages linked to a Microsoft SQL database. It will be necessary to provide use of a compatible Broadband Internet Connection, Web Server, Database Server, Security Certificate, Firewall and DNS servers to support this domain. Any changes to the website will require prior approval by the Contract Administrator. (Refer to Additional Terms and Conditions specific to the RFP, Section 1.071).

- 4.) The Contractor must use the www.hprp.org website address as the email address for the staff involved with the HPRP. No other website address will be allowed.
- 5.) The Contractor must ensure that the HPRP is housed and staffed in its own secure location, separate from any other monitoring programs or business interests the chosen Contractor may have involvement with, to ensure separation of costs, expenses, etc. for the program. Exceptions to this requirement must be clearly outlined, in the Work Plan and will be subject to MDCH approval.
- 6.) All documents including but not limited to letterhead, forms etc., must only reference the Health Professional Recovery Program (HPRP). Use of the Contractor's name on any documents sent to program participants or treatment service providers will not be allowed other than to initially communicate the change in Contractors.
- 7.) All staff members having direct contact with program participants must have experience, training, expertise and/or education in addiction, substance use and/or mental health disorders. The chosen Contractor will be required to provide a current resume or curriculum vitae for all staff having direct contact with program participants, specifically those involved with Management, Intake and Monitoring functions for pre-approval by the Department.

- 8.) No program participant or treatment service provider information shall be sent out-of-state. An exception is allowed for program participants who are referred out-of-state for treatment that is required or requested subject to MDCH approval.
- 12.) The Contractor must fully and cooperatively agree to allow an independent evaluator, chosen and paid for by the Department, to perform an evaluation of the program and the Contractor's performance on a schedule to be determined by the department.
- 13.) The Contractor must allow the Department or its designee to have access to the database pertaining to regulatory participants.
- 14.) The Contractor must assure that the Department have access to the drug screening subcontractor's testing data and results for all regulatory participants.

1.030 Roles and Responsibilities

1.031 Contractor Staff, Roles, and Responsibilities

The Department reserves the right to approve the Contractor's assignment of Key Personnel to this project and to recommend reassignment of any personnel deemed unsatisfactory by the Department. It is not acceptable to have new and/or inexperienced staff responsible for case monitoring of program participants. All changes of staff, whether for resignation or termination must be reported to the Contract Administrator within one business day.

Key Personnel Identified:

- 1) Program Director: Minimum requirements of a Masters Degree in a Human Services field, Business Administration, Public Health Administration, Public Administration, or an equivalent related area; a minimum of 5 years of field or administrative experience. (Required personnel.)
- 2) Medical Director: The Medical Consultant must be an allopathic or osteopathic physician, in good standing, fully licensed to practice medicine in the state of Michigan. The Medical Consultant must have expertise in addiction medicine and/or mental health disorders, and be a Medical Review Officer. Verification of licensure and training for medical review officer should be included. (Required personnel.)
- 3) Other key staff identified by Contractor with educational and/or training requirements specified.

Management Roles and Responsibilities:

- 1) The Contractor must provide the Contract Administrator the location of where employed and/or contracted staff will be located for approval.
- 2) All scheduled Provider Conferences or meetings are to be communicated to the Contract Administrator at a minimum of three months prior to the proposed meeting date.
- 3) Monitoring case levels of non-regulatory participants must not exceed 100 per case manager.
- 4) A list of all current Regulatory participants and their compliance status must be provided to the Contract Administrator by the 10th of each month.
- 5) Regulatory participants must be assigned to a minimum of two case managers whose case load shall not exceed 80 per case manager.

Staff Roles and Responsibilities:

- 3.) HPRP Policies and Procedures as approved by the Committee **MUST** be followed by the Contractor.
- 4.) Telephone calls from the program participants, providers or employers must be returned within 24 hours Monday through Friday or within one business day after a weekend or holiday.
- 5.) Proposed monitoring agreements (M.A.) must be provided to participants within 10 business days of receipt of an evaluation.
- 6.) A copy of an M.A. signed by all parties must be provided to the participant within three business days once all signatures have been obtained.
- 7.) Addendums to an M.A. are required for any changes to a participant's original agreement including but not limited to medication changes.
- 8.) Treatment service providers must be provided background information, obtained during Intake, when referring a potential participant for evaluation.
- 9.) The length of monitoring must be consistent with the recommendation of the evaluator. Exceptions must be discussed with the evaluator and documented in the file.
- 10.) Treatment service providers must be provided with the assessment prior to engagement of treatment services.
- 11.) Treatment service providers must be notified of any problems with urine drug screening including but not limited to positives, missed calls or tests, low creatinine, etc., within 24 hours of lab notification.
- 12.) Ensure that a participant's proposed worksite monitor is at a level of license and employment position equal to or greater than the participant's professional licensure.
- 13.) Ensure that any worksite monitor is approved by the employer prior to beginning employment.
- 14.) Pursuant to the HPRP Policies and Procedures, all program participants with a chemical dependency diagnosis **MUST** include Alcoholics Anonymous and/or Narcotics Anonymous attendance as a requirement of their M.A.
- 15.) At a minimum, each participant's file must be reviewed on a quarterly basis to ensure that non-compliance issues are identified and addressed.
- 16.) Following Policy, patterns of non-compliance must be reported to the Department for potential action pursuant to mandates in the Public Health Code.
- 17.) Any reports to the Department must accurately reflect the participant's name, profession and/or license number or case file number.

Staff Roles Specific to Regulatory Monitoring:

- 1.) Contractor staff must coordinate with the Department's Sanction Monitoring Unit to ensure that regulatory participants will not be approved to resume practice of their profession until all terms and conditions of their Board or Board Disciplinary Subcommittee (DSC) order is complied with, specifically with a treatment service provider's recommendation that includes a "safety to work" endorsement as well as entry into an appropriate M.A.
- 2.) Non-Regulatory/Confidential agreements **MUST** be changed to reflect a Regulatory agreement if the participant is mandated to be involved with the program as a result of a Board or Board Disciplinary Subcommittee (DSC) order.
- 3.) At a minimum, each M.A. **MUST** be reviewed on a quarterly basis, as determined by the **effective date of the order**, and a report submitted to the Sanction Monitoring Unit, to ensure that non-compliance issues are addressed as soon as possible.
- 4.) In addition to reports accurately reflecting the identification of the Regulatory participant, quarterly status reports must also accurately reflect the Department's file number and correct reporting period for each participant.
- 5.) Issues of non-compliance or issues of relapse must be reported to the Department for potential action, especially if the issues have a potential for impacting patient safety or otherwise place the public at risk due to the participant's non-compliance.
- 6.) Any reports indicating issues of non-compliance must include a narrative explanation of the steps requested or taken to address the non-compliance.
- 7.) Required reports must be legibly signed by the case manager assigned to the case.

- 8.) Staff will ensure that the Department's Sanction Monitoring Unit is immediately notified of any changes in a participant's employment status or worksite monitoring changes.

1.040 Project Plan

1.041 Project Plan Management

- a.) The Contractor must carry out this project under the direction and control of the Michigan Department of Licensing and Regulatory Affairs, Bureau of Health Professions. Direction and control relates to the overall process and acceptable end product and does not necessarily imply that the Contract Administrator will be on-site. The Contract Administrator will not have direct supervision over the Contractor's personnel. The Contract Administrator will be available for consultation and guidance; however, the Contractor has the primary responsibility for the day-to-day operation of the program.
- b.) The Contractor must meet monthly, at a minimum, in person or by phone with the Contract Administrator for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems which arise.
- c.) The Contractor must submit brief written monthly summaries of progress which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated, which should be brought to the attention of the Contract Administrator; and notification of any significant deviation from previously agreed-upon work plans.
- d.) Within 30 calendar days of the award of the Contract, the Contractor will submit to the LARA/BHP Contract Administrator a work plan for final approval.
 - (1) The Contractor's project organizational structure.
 - (2) The Contractor's staffing table with the name and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
 - (3) The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.

1.042 Reports

All reports must be provided to LARA in editable electronic and hard copy formats unless otherwise specified by the State during implementation. The content, frequency, and number of copies for reports will be specified in more detail by LARA.

For non-compliant participants, the Contractor will prepare a separate package to be used by the Department's Regulatory Division, pursuant to section 333.16168(2) of the Public Health Code. The package will include the following:

- (1.) A cover memorandum, addressed to the Department's Regulatory Division, that provides a detailed chronology of the participant's interaction with the HPRP staff;
- (2.) A clear and detailed explanation of why the file is being closed (i.e., the non-compliance issues);

and,

- (3.) A complete copy of the closed participant file.

1.050 Acceptance

1.051 Criteria

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

- 1.) Ability to maintain an acceptable level of professional staff with the appropriate expertise, knowledge and experience regarding the treatment of impaired health professionals to ensure the program operates smoothly and to provide timely interactions with program participants, treatment service providers, and other stakeholders.
- 2.) Ability to maintain adequate supervisory staff to ensure that the program requirements are met and to ensure appropriate communication with LARA staff to the extent necessary.
- 3.) Ability to set standards of communication between the Contractor's staff and the Contract Administrator so that issues can be resolved in a prompt and professional manner.
- 4.) Ability to develop and maintain participant files in sufficient detail to support the work performed, including but not limited to date of contacts, with whom the contacts were made, progress notes, appropriately signed Release of Information forms, etc.
- 5.) Ability to provide professional staff that will occasionally be required to participate and testify in administrative hearings or court proceedings.
- 6.) Ability to submit findings in a neat, well documented, organized package, in the required format, for each participant.
- 7.) Ability to communicate effectively and promptly with treatment service providers with regard to participant's case progress, required documentation and/or program updates.
- 8.) Ability to adapt to and implement changes in policies and procedures to fully accomplish program objectives.
- 9.) Ability to alert LARA staff regarding participants who may be a threat to public safety due to non-compliance as quickly as possible.
- 10.) Ability to determine weaknesses or deficiencies in program policies and procedures and, where issues are identified, the ability to communicate recommendations for amendments and/or revisions to the policy or procedure.
- 11.) Ability to adhere to the Department's expectations that the program be fully operational by September 1, 2012.

1.052 Final Acceptance

Final Acceptance is when the project is completed and functions according to the requirements. Any intermediate acceptance of sub-Deliverables does not complete the requirement of Final Acceptance. Final acceptance will be given upon written approval of the Michigan Department of Licensing and Regulatory Affairs and the Contractor.

The Contractor agrees to comply with the requirements as set forth within the Contract.

1.060 Proposal Pricing

1.061 Proposal Pricing

For authorized Services and Price List, see Attachment A.

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

1.062 Price Term

Prices quoted are firm for the entire length of the Contract.

1.063 Tax Excluded from Price

(a) Sales Tax: For purchases made directly by the State, the State is exempt from State and Local Sales Tax. Prices must not include the taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

(b) Federal Excise Tax: The State may be exempt from Federal Excise Tax, or the taxes may be reimbursable, if articles purchased under any resulting Contract are used for the State's exclusive use. Certificates showing exclusive use for the purposes of substantiating a tax-free or tax-reimbursable sale will be sent upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices must not include the Federal Excise Tax.

1.064 Holdback – Deleted/Not Applicable

1.70 Additional Requirements

1.071 Additional Terms and Conditions specific to the RFP

WORK PLAN

The Work Plan must address the Contractor's proposal to track pertinent information identified or required by the Committee and/or the Department, to gauge program effectiveness. In addition, an annual report is required by law, although the reporting period has been changed from a July 1 to September 30 reporting period to a fiscal year reporting period (October – September).

ANNUAL REPORT REQUIREMENTS

The Annual Report, for the time period of October 1, 2008 through October 30, 2009, is available at www.hprp.org under Annual Report.

DATABASE REQUIREMENTS

The database must be HIPAA compliant. The database information may not be used by the Contractor for any other clients or for any other purpose without the express written permission of the Department of Licensing and Regulatory Affairs, Bureau of Health Professions.

Any and all information relating to participants involved through regulatory status must be accessible to the Contract Administrator and/or the Bureau's Compliance section.

Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

The Contract is for a period of three years beginning September 1, 2012 through August 31, 2015. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

2.002 Options to Renew

The Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to two additional one year periods.

2.003 Legal Effect

Contractor must show acceptance of the Contract by signing two copies of the Contract and returning them to the Contract Administrator. The Contractor must not proceed with the performance of the work to be done under the Contract, including the purchase of necessary materials, until both parties have signed the Contract to show acceptance of its terms, and the Contractor receives a Contract release/purchase order that authorizes and defines specific performance requirements.

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under the Contract, until Contractor is notified in writing that the Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

2.004 Attachments & Exhibits

All Attachments and Exhibits affixed to any and all Statement(s) of Work, or appended to or referencing the Contract, are incorporated in their entirety and form part of the Contract.

2.005 Ordering

The State will issue a written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order, which must be approved by the Contract Administrator or the Contract Administrator's designee, to order any Services/Deliverables under the Contract. All orders are subject to the terms and conditions of the Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are also specifically contained in that Purchase Order's or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown, however, the Contractor must furnish all such materials and services as may be ordered during the CONTRACT period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.

2.006 Order of Precedence

(a) The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to the subject matter and as additional terms and conditions on the purchase order must apply as limited by **Section 2.005**.

(b) In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of the Contract, which may be modified or amended only by a formal Contract amendment.

2.007 Headings

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of the Contract.

2.008 Form, Function & Utility

If the Contract is for use of more than one (1) State agency and if the Deliverable/Service does not meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

2.009 Reformation and Severability

Each provision of the Contract is severable from all other provisions of the Contract and, if one (1) or more of the provisions of the Contract is declared invalid, the remaining provisions of the Contract remain in full force and effect.

2.010 Consents and Approvals

Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, the consent or approval must be in writing and must not be unreasonably withheld or delayed.

2.011 No Waiver of Default

If a party fails to insist upon strict adherence to any term of the Contract then the party has not waived the right to later insist upon strict adherence to that term, or any other term, of the Contract.

2.012 Survival

Any provisions of the Contract that impose continuing obligations on the parties, including without limitation the parties' respective warranty, indemnity and confidentiality obligations, survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

2.020 Contract Administration

2.021 Issuing Office

The Contract is issued by the Department of Technology Management and Budget, Procurement and MDCH (collectively, including all other relevant State of Michigan departments and agencies, the State Procurement is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. **Procurement is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of the Contract.** The Contractor Administrator within Procurement for the Contract is:

Jim Wilson
Procurement
Department of Technology Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
Email: wilsonj4@michigan.gov
Phone: 517-241-1916

2.022 Contract Compliance Inspector

After DTMB-Procurement receives the properly executed Contract, it is anticipated that the Director of Procurement, in consultation with MDCH, will direct the person named below, or any other person so designated, to monitor and coordinate the activities for the Contract during its term. However, monitoring of the Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of the Contract as that authority is retained by DTMB Procurement.** The CCI for the Contract is:

LeAnn Droste
Michigan Department of Licensing and Regulatory Affairs
Director- Procurement & Budget Services
611 W. Ottawa
Drostel1@michigan.gov
Phone: (517) 373-3847

2.023 Project Manager

The following individual will oversee the project for management purposes:

Rae Ramsdell, Regulatory Division Director
Michigan Department of Licensing and Regulatory Affairs
Bureau of Health Professions
611 W. Ottawa, 1st Floor
ramsdellr@michigan.gov
Phone: (517) 335-7212
Fax: (517) 241-1431

The following individual will oversee the project in a day-to-day basis as the contract administrator:

Susan Bushong, Contract Administrator
Michigan Department of Licensing and Regulatory Affairs
Bureau of Health Professions
611 W. Ottawa, 1st Floor
Bushongs@michigan.gov
Phone: (517)335-1760
Fax: (517) 241-1212

2.024 Change Requests

The State reserves the right to request, from time to time, any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the Contractor does not so notify the State, the Contractor has no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable.

Change Requests:

- (a) By giving Contractor written notice within a reasonable time, the State must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under the Contract, describing the Change and its effects on the Services and any affected components of the Contract (a "Contract Change Notice").
- (b) No proposed Change may be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the DTMB-Procurement.
- (c) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of the Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

2.025 Notices

Any notice given to a party under the Contract must be deemed effective, if addressed to the State contact as noted in Section 2.021 and the Contractor's contact as noted on the cover page of the contract, upon: (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this Section;

(iii) the third Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

Either party may change its address where notices are to be sent by giving notice according to this Section.

2.026 Binding Commitments

Representatives of Contractor must have the authority to make binding commitments on Contractor's behalf within the bounds set forth in the Contract. Contractor may change the representatives from time to time upon written notice.

2.027 Relationship of the Parties

The relationship between the State and Contractor is that of client and independent contractor. No agent, employee, or servant of Contractor or any of its Subcontractors must be deemed to be an employee, agent or servant of the State for any reason. Contractor is solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

2.028 Covenant of Good Faith

Each party must act reasonably and in good faith. Unless stated otherwise in the Contract, the parties must not unreasonably delay, condition, or withhold the giving of any consent, decision, or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the Contract.

2.029 Assignments

(a) Neither party may assign the Contract, or assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform the requirements of the Contract. The State may withhold consent from proposed assignments, subcontracts, or novations when the transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

(b) Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. If the State permits an assignment, the Contractor is not relieved of its responsibility to perform any of its contractual duties, and the requirement under the Contract that all payments must be made to one (1) entity continues.

(c) If the Contractor intends to assign the Contract or any of the Contractor's rights or duties under the Contract, the Contractor must notify the State in writing at least 90 days before the assignment. The Contractor also must provide the State with adequate information about the assignee within a reasonable amount of time before the assignment for the State to determine whether to approve the assignment.

2.030 General Provisions

2.031 Media Releases

News releases (including promotional literature and commercial advertisements) pertaining to the RFP and 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 from the State. No results of the activities associated with the RFP and Contract are to be released without prior written approval of the State and then only to persons designated.

2.032 Contract Distribution

Procurement retains the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Procurement.

2.033 Permits

Contractor must obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State must pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

2.034 Website Incorporation

The State is not bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of the content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representative of the State.

2.035 Future Bidding Preclusion

Contractor acknowledges that, to the extent the Contract involves the creation, research, investigation or generation of a future RFP, it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a competitive advantage on the RFP

2.036 Freedom of Information

All information in any proposal submitted to the State by Contractor and the Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 PA 442, MCL 15.231, et seq (the "FOIA").

2.037 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under the Contract must provide the State with priority service for repair and work around in the event of a natural or man-made disaster.

2.040 Financial Provisions

2.041 Fixed Prices for Services/Deliverables

Each Statement of Work or Purchase Order issued under the Contract must specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.042 Adjustments for Reductions in Scope of Services/Deliverables

If the scope of the Services/Deliverables under any Statement of Work issued under the Contract is subsequently reduced by the State, the parties must negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope.

2.043 Services/Deliverables Covered

For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under the Contract, the State must not be obligated to pay any amounts in addition to the charges specified in the Contract.

2.044 Invoicing and Payment – In General

(a) Each Statement of Work issued under the Contract must list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.

(b) Each Contractor invoice must show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis must show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.064**.

(c) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 PA 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered. All invoices should reflect actual work done and be submitted on the Financial Status Report, or equivalent report as determined by the Department. Specific details of invoices and payments will be agreed upon between the CCI and the Contractor.

The specific payment schedule for any Contract(s) entered into, as the State and the Contractor(s) must mutually agree upon. The schedule must show payment amount and must reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy, statements must be forwarded to the designated representative by the 15th day of the following month.

The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the CCI, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.045 Pro-ration

To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services must be pro-rated for any partial month.

2.046 Antitrust Assignment

The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of the Contract.

2.047 Final Payment

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor will it constitute a waiver of any claims by one (1) party against the other arising from unsettled claims or failure by a party to comply with the Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under the Contract must constitute a waiver of all claims by Contractor against the State for payment under the Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

2.048 Electronic Payment Requirement

Electronic transfer of funds is required for payments on State contracts. The Contractor must register with the State electronically at <http://www.cpexpress.state.mi.us>. As stated in 1984 PA 431, all contracts that the State enters into for the purchase of goods and services must provide that payment will be made by Electronic Fund Transfer (EFT).

2.050 Taxes

2.051 Employment Taxes

Contractors are expected to collect and pay all applicable federal, state, and local employment taxes.

2.052 Sales and Use Taxes

Contractors are required to be registered and to remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. Contractors that lack sufficient presence in Michigan to be required to register and pay tax must do so as a volunteer. This requirement extends to:

(1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining “two (2) or more trades or businesses under common control” the term “organization” means sole proprietorship, a partnership (as defined in § 701(a)(2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.

2.060 Contract Management

2.061 Contractor Personnel Qualifications

All persons assigned by Contractor to the performance of Services under the Contract must be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and must be fully qualified to perform the work assigned to them. Contractor must include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of the Contract, independent contractors engaged by Contractor solely in a staff augmentation role must be treated by the State as if they were employees of Contractor for the Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

2.062 Contractor Key Personnel

(a) The Contractor must provide the CCI with the names of the Key Personnel.

(b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.

(c) The State reserves 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 must notify the Project Manager in writing of the proposed assignment, must introduce the individual to the Project Manager and any requested representatives, and must provide the Project Manager with a resume and any other information about the individual reasonably requested by the Project Manager. The Project Manager reserves the right to interview the individual before granting written approval. In the event the Project Manager finds a proposed individual unacceptable, the Project Manager must provide a written explanation including reasonable detail outlining the reasons for the rejection.

(d) Contractor must not remove any Key Personnel from their assigned roles on the Contract without the prior written consent of the Project Manager. The Contractor’s removal of Key Personnel without the prior written consent of the Project Manager is an unauthorized removal (“Unauthorized Removal”). Unauthorized Removals 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. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the Project Manager receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the Project Manager must review any Key Personnel replacements and appropriate transition planning must be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.

(e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects. If the Project Manager does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

2.063 Re-assignment of Personnel at the State's Request

The State reserves the right to require the removal of Contractor personnel from the Project, who are found, in the judgment of the Project Manager, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good-faith reasons. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted for a time as agreed to by the parties.

2.064 Contractor Personnel Location

All staff assigned by Contractor to work on the Contract must perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel must, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

2.065 Contractor Identification

Contractor employees must be clearly identifiable while on State property by wearing a State-issued badge, as required. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

2.066 Cooperation with Third Parties

Contractor must cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel. As reasonably requested by the State in writing, the Contractor must provide to the State's agents and other contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with the Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for the Contract is very specific and must not unnecessarily or unreasonably interfere with, delay, or otherwise impede Contractor's performance under the Contract with the requests for access.

2.067 Contractor Return of State Equipment/Resources

The Contractor must return to the State any State-furnished equipment, facilities, and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

2.068 Contract Management Responsibilities

The Contractor must assume responsibility for all contractual activities, whether or not that Contractor performs them. Further, the State considers the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Contract. If any part of the work is to be subcontracted, the Contract must include a list of Subcontractors, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve Subcontractors and to require the Contractor to replace Subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the Subcontractor to all provisions of the Contract. Any change in Subcontractors must be approved by the State, in writing, prior to such change.

2.070 Subcontracting by Contractor

2.071 Contractor Full Responsibility

Contractor has full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under the Contract, including payment of any and all charges for Services and Deliverables.

2.072 State Consent to Delegation

Contractor must not delegate any duties under the Contract to a Subcontractor unless the DTMB-Procurement has given written consent to such delegation. The State reserves the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good-faith reasons. Replacement Subcontractor(s) for the removed Subcontractor must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work will not be counted for a time agreed upon by the parties.

2.073 Subcontractor Bound to Contract

In any subcontracts entered into by Contractor for the performance of the Services, Contractor must require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of the Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by the Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor is the responsibility of Contractor, and Contractor must remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor must make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under the Contract will not relieve Contractor of any obligations or performance required under the Contract.

2.074 Flow Down

Except where specifically approved in writing by the State on a case-by-case basis, Contractor must flow down the obligations in **Sections 2.031, 2.060, 2.100, 2.110, 2.120, 2.130, 2.200** in all of its agreements with any Subcontractors.

2.075 Competitive Selection

The Contractor must select Subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract.

2.080 State Responsibilities

2.081 Equipment

The State must provide only the equipment and resources identified in the Statements of Work and other Contract Exhibits.

2.082 Facilities

The State must designate space as long as it is available and as provided in the Statement of Work, to house the Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). The Contractor must have reasonable access to, and, unless agreed otherwise by the parties in writing, must observe and comply with all rules and regulations relating to each of the State Facilities (including hours of operation) used by the Contractor in the course of providing the Services. Contractor must not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for the Contractor's use, or to which the Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

2.090 Security

2.091 Background Checks

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

All Contractor personnel must comply with the State's security and acceptable use policies for State IT equipment and resources. See <http://www.michigan.gov/dit>. Furthermore, Contractor personnel must agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. The Contractor must present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff must comply with all Physical Security procedures in place within the facilities where they are working.

2.092 Security Breach Notification

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State, in writing, any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

2.093 PCI Data Security Requirements

Contractors with access to credit/debit card cardholder data must adhere to the Payment Card Industry (PCI) Data Security requirements. Contractor agrees that they are responsible for security of cardholder data in their possession. Contractor agrees that data can ONLY be used for assisting the State in completing a transaction, supporting a loyalty program, supporting the State, providing fraud control services, or for other uses specifically required by law.

Contractor agrees to provide business continuity in the event of a major disruption, disaster, or failure.

The Contractor must contact MDCH, or its successor department immediately to advise them of any breaches in security where card data has been compromised. In the event of a security intrusion, the Payment Card Industry representative, or a Payment Card Industry approved third party, must be provided with full cooperation and access to conduct a thorough security review. The review must validate compliance with the Payment Card Industry Data Security Standard for protecting cardholder data.

Contractor agrees to properly dispose sensitive cardholder data when no longer needed. The Contractor must continue to treat cardholder data as confidential upon contract termination.

The Contractor must provide MDCH or its successor department documentation showing PCI Data Security certification has been achieved. The Contractor must advise MDCH, or its successor department of all failures to comply with the PCI Data Security Requirements. Failures include, but are not limited to system scans and self-assessment questionnaires. The Contractor must provide a time line for corrective action.

2.100 Confidentiality

2.101 Confidentiality

Contractor and the State each acknowledge that the other possesses, and will continue to possess, confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor must mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below) which is marked confidential, restricted, proprietary, or with a similar designation. "Confidential Information" of the State must mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State under applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State under its performance under the Contract, is marked as confidential, proprietary, or with a similar designation by the State. "Confidential Information" excludes any information (including the Contract) that is publicly available under the Michigan FOIA.

2.102 Protection and Destruction of Confidential Information

The State and Contractor must each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication, or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by the Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party must limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access to fulfill the purposes of the Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under the Contract, (B) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility, 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 and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.

Promptly upon termination or cancellation of the Contract for any reason, Contractor must certify to the State that Contractor has destroyed all State Confidential Information.

2.103 Exclusions

Notwithstanding the foregoing, the provisions of **Section 2.100** will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose the information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of **Section 2.100** will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

2.104 No Implied Rights

Nothing contained in this Section must be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

2.105 Respective Obligations

The parties' respective obligations under this Section must survive the termination or expiration of the Contract for any reason.

2.110 Records and Inspections

2.111 Inspection of Work Performed

The Project Manager or State's authorized representatives must at all reasonable times and with 24 hours prior request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and must have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon 24 hour prior notice and at all reasonable times, the State's representatives must be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that the access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the Project Manager or State's representatives.

2.112 Examination of Records

For seven (7) years after the Contractor provides any work under the Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules. The State must notify the Contractor 20 days before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract. Public Health Code requirements will supersede any record retention or confidentiality requirements referenced in this Contract.

2.113 Retention of Records

Contractor must maintain at least until the end of the Audit Period, all pertinent financial and accounting records (including time sheets and payroll records, information pertaining to the Contract, and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records must be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

Destruction of Records

In accordance with the Public Health Code, Articles 1, 7, 15, 19 and excerpts from Articles 5 and 17, of Public Act 368 of 1978, as amended, the Contractor will comply with all requirements for destruction of participants' documents and records. Specifically, pursuant to 333.16170a(3) states if a health professional including records pertaining to the health professional's participation in the treatment plan, upon expiration of 5 years after the date of the Committee's determination. The Contractor will be responsible for communicating with the Department and/or the Contract Administrator to facilitate the appropriate disposal and destruction of all confidential records in compliance with the dictates of the Public Health Code.

2.114 Audit Resolution

If necessary, the Contractor and the State will meet to review each audit report promptly after issuance. The Contractor must respond to each audit report in writing within 30 days from receipt of the report, unless a shorter response time is specified in the report. The Contractor and the State must develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in the audit report.

2.115 Errors

(a) If the audit demonstrates any errors in the documents provided to the State, then the amount in error must be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four (4) invoices. If a balance remains after four (4) invoices, then the remaining amount will be due as a payment or refund within 45 days of the last quarterly invoice that the balance appeared on or termination of the Contract, whichever is earlier.

(b) In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than 10%, then the Contractor must pay all of the reasonable costs of the audit.

2.120 Warranties

2.121 Warranties and Representations

The Contractor represents and warrants:

(a) It is capable in all respects of fulfilling and must fulfill all of its obligations under the Contract. The performance of all obligations under the Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under the Contract.

(b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.

(c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under the Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under the Contract, nor their use by the State, will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.

(d) If, under the Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in the Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.

(e) The Contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into the Contract, on behalf of Contractor.

(f) It is qualified and registered to transact business in all locations where required.

(g) Neither the Contractor nor any affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under the Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two (2) days of learning about it.

(h) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after the Contract start date, the Contractor must report those changes immediately to DTMB-Procurement.

2.122 Warranty of Merchantability

Goods provided by Contractor under this agreement must be merchantable. All goods provided under the Contract must be of good quality within the description given by the State, must be fit for their ordinary purpose, must be adequately contained and packaged within the description given by the State, must conform to the agreed upon specifications, and must conform to the affirmations of fact made by the Contractor or on the container or label.

2.123 Warranty of Fitness for a Particular Purpose

When the Contractor has reason to know or knows any particular purpose for which the goods are required, and the State is relying on the Contractor's skill or judgment to select or furnish suitable goods, there is a warranty that the goods are fit for such purpose.

2.124 Warranty of Title

Contractor must, in providing goods to the State, convey good title in those goods, whose transfer is right and lawful. All goods provided by Contractor must be delivered free from any security interest, lien, or encumbrance of which the State, at the time of contracting, has no knowledge. Goods provided by Contractor, under the Contract, must be delivered free of any rightful claim of any third person by of infringement or the like.

2.125 Equipment Warranty

To the extent Contractor is responsible under the Contract for maintaining equipment/system(s), Contractor must maintain the equipment/system(s) in good operating condition and must undertake all repairs and preventive maintenance according to the applicable manufacturer's recommendations for the period specified in the Contract.

The Contractor represents and warrants that the equipment/system(s) are in good operating condition and operate and perform to the requirements and other standards of performance contained in the Contract, when installed, at the time of Final Acceptance by the State, and for a period of one (1) year commencing upon the first day following Final Acceptance.

Within five business days of notification from the State, the Contractor must adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor must assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

The Contractor must provide a toll-free telephone number to allow the State to report equipment failures and problems to be remedied by the Contractor.

The Contractor agrees that all warranty service it provides under the Contract must be performed by Original Equipment Manufacturer (OEM) trained, certified and authorized technicians.

The Contractor is the sole point of contact for warranty service. The Contractor warrants that it will pass through to the State any warranties obtained or available from the original equipment manufacturer, including any replacement, upgraded, or additional equipment warranties.

2.126 Equipment to be New

If applicable, all equipment provided under the Contract by Contractor must be new where Contractor has knowledge regarding whether the equipment is new or assembled from new or serviceable used parts that are like new in performance or has the option of selecting one or the other. Equipment that is assembled from new or serviceable used parts that are like new in performance is acceptable where Contractor does not have knowledge or the ability to select one or other, unless specifically agreed otherwise in writing by the State.

2.127 Prohibited Products

The State will not accept salvage, distressed, outdated or discontinued merchandise. Shipping of such merchandise to any State agency, as a result of an order placed against the Contract, is considered default by the Contractor of the terms and conditions of the Contract and may result in cancellation of the Contract by the State. The brand and product number offered for all items must remain consistent for the term of the Contract, unless Procurement has approved a change order pursuant to **Section 2.024**.

2.128 Consequences For Breach

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section, the breach may be considered as a default in the performance of a material obligation of the Contract.

2.130 Insurance

2.131 Liability Insurance

The Contractor must provide proof of the minimum levels of insurance coverage as indicated below. The insurance must protect the State from claims which may arise out of or result from the Contractor's performance of Services under the terms of the Contract, whether the Services are performed by the Contractor, or by any Subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain under the Contract.

All insurance coverage's provided relative to the Contract/Purchase Order are PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance must be written for not less than any minimum coverage specified in the Contract or required by law, whichever is greater.

The insurers selected by Contractor must have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if the ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in the Contract must be issued by companies that have been approved to do business in the State. See www.michigan.gov/deleg.

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State must be entitled to coverage to the extent of the higher limits.

The Contractor is required to pay for and provide the type and amount of insurance checked below:

- 1. Commercial General Liability with the following minimum coverage:
 - \$2,000,000 General Aggregate Limit other than Products/Completed Operations
 - \$2,000,000 Products/Completed Operations Aggregate Limit
 - \$1,000,000 Personal & Advertising Injury Limit
 - \$1,000,000 Each Occurrence Limit

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- 2. If a motor vehicle is used to provide services or products under the Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

3. Workers' compensation coverage must be provided according to applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision must not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

4. Employers liability insurance with the following minimum limits:

\$100,000 each accident
\$100,000 each employee by disease
\$500,000 aggregate disease

5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of \$1,000,000.00 with a maximum deductible of \$50,000.00.

6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$10,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: \$3,000,000.00 each occurrence and \$3,000,000.00 annual aggregate.

8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under the Contract, and the equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State must be endorsed on the policy as a loss payee as its interests appear.

2.132 Subcontractor Insurance Coverage

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor must require all of its Subcontractors under the Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor must fully comply with the insurance coverage required in this Section. Failure of Subcontractor to comply with insurance requirements does not limit Contractor's liability or responsibility.

2.133 Certificates of Insurance and Other Requirements

Contractor must furnish to DTMB-Procurement, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverages afforded under the policies **MUST NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED** without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Procurement, DTMB. The notice must include the Contract or Purchase Order number affected. Before the Contract is

signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

The Contractor must maintain all required insurance coverage throughout the term of the Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure tail coverage for at least three (3) years following the expiration or termination for any reason of the Contract. The minimum limits of coverage specified above are not intended, and must not be construed, to limit any liability or indemnity of Contractor under the Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance. If the Contractor fails to pay any premium for required insurance as specified in the Contract, or if any insurer cancels or significantly reduces any required insurance as specified in the Contract without the State's written consent, then the State may, after the State has given the Contractor at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or the Contractor must pay that cost upon demand by the State.

2.140 Indemnification

2.141 General Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of the Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its Subcontractors, or by anyone else for whose acts any of them may be liable.

2.142 Code Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

2.143 Employee Indemnification

In any claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its Subcontractors, the indemnification obligation under the Contract must not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its Subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

2.144 Patent/Copyright Infringement Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that the action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its Subcontractors, or the operation of the equipment, software, commodity or service, or the use or reproduction of any documentation provided with the equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor must at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if the option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if the option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Notwithstanding the foregoing, the Contractor has no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under the Contract.

2.145 Continuation of Indemnification Obligations

The Contractor's duty to indemnify under this Section continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred before expiration or cancellation.

2.146 Indemnification Procedures

The procedures set forth below must apply to all indemnity obligations under the Contract.

(a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.

(b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under the Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. 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. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

(c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State may defend the claim in the manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor must promptly reimburse the State for all the reasonable costs and expenses.

2.150 Termination/Cancellation

2.151 Notice and Right to Cure

If the Contractor breaches the Contract, and the State, in its sole discretion, determines that the breach is curable, then the State must provide the Contractor with written notice of the breach and a time period (not less than 30 days) to cure the Breach. The notice of breach and opportunity to cure is inapplicable for successive or repeated breaches or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

2.152 Termination for Cause

(a) The State may terminate the Contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under the Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State

(b) If the Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating the Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by the Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in the Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under the Contract.

(c) If the State chooses to partially terminate the Contract for cause, charges payable under the Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of the Contract that are terminated for cause must cease on the effective date of the termination.

(d) If the State terminates the Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in the Contract for a termination for convenience.

2.153 Termination for Convenience

The State may terminate the Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate the Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate the Contract in part, the charges payable under the Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of the Contract that are terminated for cause must cease on the effective date of the termination.

2.154 Termination for Non-Appropriation

(a) Contractor acknowledges that, if the Contract extends for several fiscal years, continuation of the Contract is subject to appropriation or availability of funds for the Contract. If funds to enable the State to effect continued payment under the Contract are not appropriated or otherwise made available, the State must terminate the Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).

(b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under the Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.

(c) If the State terminates the Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.155 Termination for Criminal Conviction

The State may terminate the Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense related to a State, public or private Contract or subcontract.

2.156 Termination for Approvals Rescinded

The State may terminate the Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State must pay the Contractor for only the work completed to that point under the Contract. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in the written notice.

2.157 Rights and Obligations upon Termination

(a) If the State terminates the Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from the Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

(b) If the State terminates the Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under the Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under the Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables.

Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

(c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for Services and Deliverables provided under the Contract, and may further pursue completion of the Services/Deliverables under the Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.158 Reservation of Rights

Any termination of the Contract or any Statement of Work issued under it by a party must be with full reservation of, and without prejudice to, any rights or remedies otherwise available to the party with respect to any claims arising before or as a result of the termination.

2.160 Termination by Contractor

2.161 Termination by Contractor

If the State breaches the Contract, and the Contractor in its sole discretion determines that the breach is curable, then the Contractor will provide the State with written notice of the breach and a time period (not less than 30 days) to cure the breach. The Notice of Breach and opportunity to cure is inapplicable for successive and repeated breaches.

The Contractor may terminate the Contract if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under the Contract, (ii) breaches its other obligations under the Contract to an extent that makes it impossible or commercially impractical for the Contractor to perform the Services, or (iii) does not cure the breach within the time period specified in a written notice of breach. But the Contractor must discharge its obligations under **Section 2.190** before it terminates the Contract.

2.170 Transition Responsibilities

2.171 Contractor Transition Responsibilities

If the State terminates the Contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If the Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 90 days. These efforts must include, but are not limited to, those listed in **Sections 2.171, 2.172, 2.173, 2.174, and 2.175**.

2.172 Contractor Personnel Transition

The Contractor must work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties to effect an orderly transition. The Contractor must allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by the Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's Subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's Subcontractors or vendors. Contractor must notify all of Contractor's subcontractors of procedures to be followed during transition.

2.173 Contractor Information Transition

The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under the Contract. The Contractor must provide the State with asset management data generated from the inception of the Contract through the date on which the Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor must deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

2.174 Contractor Software Transition

The Contractor must reasonably assist the State in the orderly transition of any Contractor software required to perform the Services/use the Deliverables under the Contract. This must include any documentation being used by the Contractor to perform the Services under the Contract. If the State transfers any software licenses to the Contractor, those licenses must, upon expiration of the Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

2.175 Transition Payments

If the transition results from a termination for any reason, reimbursement must be governed by the termination provisions of the Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates agreed upon by the State. The Contractor must prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

2.176 State Transition Responsibilities

In the event that the Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:

- (a) Reconciling all accounts between the State and the Contractor;
- (b) Completing any pending post-project reviews.

2.180 Stop Work

2.181 Stop Work Orders

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order must be identified as a stop work order and must indicate that it is issued under this **Section 2.180**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.150**.

2.182 Cancellation or Expiration of Stop Work Order

The Contractor must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment must conform to the requirements of **Section 2.024**.

2.183 Allowance of Contractor Costs

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, the termination must be deemed to be a termination for convenience

under **Section 2.150**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.180**.

2.190 Dispute Resolution

2.191 In General

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work must be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor must submit a letter, together with all data supporting the claims, executed by Contractor's Contract Administrator or the Contract Administrator's designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the claim and the supporting data are current and complete to Contractor's best knowledge and belief.

2.192 Informal Dispute Resolution

(a) All disputes between the parties must be resolved under the Contract Management procedures in the Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties must meet with the Director of Procurement, DTMB, or designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings, as follows:

- (i) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
- (ii) During the course of negotiations, all reasonable requests made by one (1) party to another for non-privileged information reasonably related to the Contract must be honored in order that each of the parties may be fully advised of the other's position.
- (iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
- (iv) Following the completion of this process within 60 calendar days, the Director of Procurement, DTMB, or designee, must issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.

(b) This Section must not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under **Section 2.193**.

(c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

2.193 Injunctive Relief

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.192** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is the that the damages to the party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

2.194 Continued Performance

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.150**, as the case may be.

2.200 Federal and State Contract Requirements

2.201 Nondiscrimination

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, or physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of the Contract or any purchase order resulting from the Contract must contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot 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., and any breach of this provision may be regarded as a material breach of the Contract.

2.202 Unfair Labor Practices

Under 1980 PA 278, MCL 423.321, et seq., the State must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under Section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, must not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under Section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.203 Workplace Safety and Discriminatory Harassment

In performing Services for the State, the Contractor must comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor must comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.

2.204 Prevailing Wage

The rates of wages and fringe benefits to be paid each class of individuals employed by the Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of the Contract in privity of contract with the Contractor must not be less than the wage rates and fringe benefits established by the Michigan Department of Energy, Labor and Economic Development, Wage and Hour Bureau, schedule of occupational classification and wage rates and fringe benefits for the local where the work is to be performed. The term Contractor must include all general contractors, prime contractors, project managers, trade contractors, and all of their contractors or subcontractors and persons in privity of contract with them.

The Contractor, its subcontractors, their subcontractors and all persons involved with the performance of the Contract in privity of contract with the Contractor must keep posted on the work site, in a conspicuous place, a copy of all wage rates and fringe benefits as prescribed in the contract. You must also post, in a conspicuous place, the address and telephone number of the Michigan Department of Energy, Labor and Economic Development, the office responsible for enforcement of the wage rates and fringe benefits. The Contractor must keep an accurate record showing the name and occupation of the actual wage and benefits paid to each individual employed in connection with the Contract. This record must be available to the State upon request for reasonable inspection.

If any trade is omitted from the list of wage rates and fringe benefits to be paid to each class of individuals by the Contractor, it is understood that the trades omitted must also be paid not less than the wage rate and fringe benefits prevailing in the local where the work is to be performed.

2.210 Governing Law

2.211 Governing Law

The Contract must in all respects be governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

2.212 Compliance with Laws

Contractor must comply with all applicable state, federal and local laws and ordinances in providing the Services/Deliverables.

2.213 Jurisdiction

Any dispute arising from the Contract must be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.220 Limitation of Liability

2.221 Limitation of Liability

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of the Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the Contract.

2.230 Disclosure Responsibilities

2.231 Disclosure of Litigation

(a) Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities. The Contractor must disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

(b) Assurances. If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of the Contract would cause a reasonable party to be concerned about:

- (i) the ability of Contractor (or a Subcontractor) to continue to perform the Contract according to its terms and conditions, or

(ii) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of the Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:

(a) Contractor and its Subcontractors must be able to continue to perform the Contract and any Statements of Work according to its terms and conditions, and

(b) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.

(c) Contractor must make the following notifications in writing:

(1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DTMB-Procurement.

(2) Contractor must also notify DTMB Procurement within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.

(3) Contractor must also notify DTMB Procurement within 30 days whenever changes to company affiliations occur.

2.232 Call Center Disclosure

Contractor and/or all Subcontractors involved in the performance of the Contract providing call or contact center services to the State must disclose the location of its call or contact center services to inbound callers. Failure to disclose this information is a material breach of the Contract.

2.233 Bankruptcy

The State may, without prejudice to any other right or remedy, terminate the Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish the Works in Process by whatever appropriate method the State may deem expedient if:

(a) the Contractor files for protection under the bankruptcy laws;

(b) an involuntary petition is filed against the Contractor and not removed within 30 days;

(c) the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;

(d) the Contractor makes a general assignment for the benefit of creditors; or

(e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under the Contract.

Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process must be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

2.240 Performance

2.241 Time of Performance

(a) Contractor must use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.

(b) Without limiting the generality of **Section 2.241(a)**, Contractor must notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.

(c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.242 Service Level Agreements (SLAs)- Deleted/Not Applicable

2.243 Liquidated Damages

The parties acknowledge that late or improper completion of the Work will cause loss and damage to the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result. Therefore, Contractor and the State agree that if there is late or improper completion of the Work and the State does not elect to exercise its rights under **Section 2.152**, the State is entitled to collect liquidated damages in the amount of \$5,000.00 and an additional \$100.00 per day for each day Contractor fails to remedy the late or improper completion of the Work.

It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 2.152**, the State may assess liquidated damages against Contractor as specified below.

For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the liquidated damages amount is \$25,000.00 per individual if the Contractor identifies a replacement approved by the State under **Section 2.060** and assigns the replacement to the Project to shadow the Key Personnel who is leaving for a period of at least 30 days before the Key Personnel's removal.

If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 days, in addition to the \$25,000.00 liquidated damages for an Unauthorized Removal, Contractor must pay the amount of \$833.33 per day for each day of the 30 day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$25,000.00 maximum per individual. The total liquidated damages that may be assessed per Unauthorized Removal and failure to provide 30 days of shadowing must not exceed \$50,000.00 per individual.

2.244 Excusable Failure

Neither party will be liable for any default, damage, or delay in the performance of its obligations under the Contract to the extent the default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military, or otherwise), power failure, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.

If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. but the party must use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 10 Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance continues; (b) the State may terminate any portion of the Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified

by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

The Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

2.250 Approval of Deliverables

2.251 Delivery Responsibilities

Unless otherwise specified by the State within an individual order, the following must be applicable to all orders issued under the Contract.

(a) Shipment responsibilities - Services performed/Deliverables provided under the Contract must be delivered "F.O.B. Destination, within Government Premises." The Contractor must have complete responsibility for providing all Services/Deliverables to all site(s) unless otherwise stated. Actual delivery dates must be specified on the individual purchase order.

(b) Delivery locations - Services must be performed/Deliverables must be provided at every State of Michigan location within Michigan unless otherwise stated in the SOW. Specific locations will be provided by the State or upon issuance of individual purchase orders.

(c) Damage Disputes - At the time of delivery to State Locations, the State must examine all packages. The quantity of packages delivered must be recorded and any obvious visible or suspected damage must be noted at time of delivery using the shipper's delivery document(s) and appropriate procedures to record the damage.

Where there is no obvious or suspected damage, all deliveries to a State Location must be opened by the State and the contents inspected for possible internal damage not visible externally within 14 days of receipt. Any damage must be reported to the Contractor within five days of inspection

2.252 Delivery of Deliverables

Where applicable, the Statements of Work/POs contain lists of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document ("Written Deliverable"), a good ("Physical Deliverable") or a Service. All Deliverables must be completed and delivered for State review and written approval and, where applicable, installed according to the State-approved delivery schedule and any other applicable terms and conditions of the Contract.

2.253 Testing

(a) Before delivering any of the above-mentioned Statement of Work Physical Deliverables or Services to the State, Contractor must first perform all required quality assurance activities to verify that the Physical Deliverable or Service is complete and conforms with its specifications listed in the applicable Statement of Work or Purchase Order. Before delivering a Physical Deliverable or Service to the State, Contractor must certify to the State that (1) it has performed the quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during the quality assurance activities and testing, (4) the Deliverable or Service is in a suitable state of readiness for the State's review and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied.

(b) If a Deliverable includes installation at a State Location, then Contractor must (1) perform any applicable testing, (2) correct all material deficiencies discovered during the quality assurance activities and testing, and (3) inform the State that the Deliverable is in a suitable state of readiness for the State's review and approval. To the extent that testing occurs at State Locations, the State is entitled to observe or otherwise participate in testing.

2.254 Approval of Deliverables, In General

(a) All Deliverables (Physical Deliverables and Written Deliverables) and Services require formal written approval by the State, according to the following procedures. Formal approval by the State requires the State to confirm in writing that the Deliverable meets its specifications. Formal approval may include the successful completion of Testing as applicable in **Section 2.253**, to be led by the State with the support and assistance of Contractor. The approval process will be facilitated by ongoing consultation between the parties, inspection of interim and intermediate Deliverables and collaboration on key decisions.

(b) The State's obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables/Services being reviewed.

(c) Before commencement of its review or testing of a Deliverable/Service, the State may inspect the Deliverable/Service to confirm that all components of the Deliverable/Service have been delivered without material deficiencies. If the State determines that the Deliverable/Service has material deficiencies, the State may refuse delivery of the Deliverable/Service without performing any further inspection or testing of the Deliverable/Service. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable or the Service begins, and the State and Contractor agree that the Deliverable/Service is ready for use and, where applicable, certification by Contractor according to **Section 2.253**.

(d) The State must approve in writing a Deliverable/Service after confirming that it conforms to and performs according to its specifications without material deficiency. The State may, but is not be required to, conditionally approve in writing a Deliverable/Service that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will be responsible for working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable/Service that remain outstanding at the time of State approval.

(e) If, after three (3) opportunities (the original and two (2) repeat efforts), the Contractor is unable to correct all deficiencies preventing Final Acceptance of a Deliverable/Service, the State may: (i) demand that the Contractor cure the failure and give the Contractor additional time to cure the failure at the sole expense of the Contractor; or (ii) keep the Contract in force and do, either itself or through other parties, whatever the Contractor has failed to do, and recover the difference between the cost to cure the deficiency and the contract price plus an additional sum equal to 10% of the cost to cure the deficiency to cover the State's general expenses provided the State can furnish proof of the general expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure the breach. Notwithstanding the foregoing, the State cannot use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

(f) The State, at any time and in its reasonable discretion, may halt the testing or approval process if the process reveals deficiencies in or problems with a Deliverable/Service in a sufficient quantity or of a sufficient severity that renders continuing the process unproductive or unworkable. If that happens, the State may stop using the Service or return the applicable Deliverable to Contractor for correction and re-delivery before resuming the testing or approval process.

2.255 Process For Approval of Written Deliverables

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Deliverable (and if the Statement of Work does not state the State Review Period, it is by default five (5) Business Days for Written Deliverables of 100 pages or less and 10 Business Days for Written Deliverables of more than 100 pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable before its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected before approval of the Deliverable (or at the State's election, after approval of the Deliverable). If the State notifies the Contractor about deficiencies, the Contractor must correct the described deficiencies and within 30

Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts must be made at no additional charge. Upon receipt of a corrected Deliverable from Contractor, the State must have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

2.256 Process for Approval of Services

The State Review Period for approval of Services is governed by the applicable Statement of Work (and if the Statement of Work does not state the State Review Period, it is by default 30 Business Days for Services). The State agrees to notify the Contractor in writing by the end of the State Review Period either stating that the Service is approved in the form delivered by the Contractor or describing any deficiencies that must be corrected before approval of the Services (or at the State's election, after approval of the Service). If the State delivers to the Contractor a notice of deficiencies, the Contractor must correct the described deficiencies and within 30 Business Days resubmit the Service in a form that shows all revisions made to the original version delivered to the State. The Contractor's correction efforts must be made at no additional charge. Upon implementation of a corrected Service from Contractor, the State must have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Service for conformity and that the identified deficiencies have been corrected.

2.257 Process for Approval of Physical Deliverables

The State Review Period for approval of Physical Deliverables is governed by the applicable Statement of Work (and if the Statement of Work does not state the State Review Period, it is by default 30 continuous Business Days for a Physical Deliverable). The State agrees to notify the Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by the Contractor or describing any deficiencies that must be corrected before approval of the Deliverable (or at the State's election, after approval of the Deliverable). If the State delivers to the Contractor a notice of deficiencies, the Contractor must correct the described deficiencies and within 30 Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. The Contractor's correction efforts must be made at no additional charge. Upon receipt of a corrected Deliverable from the Contractor, the State must have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

2.258 Final Acceptance

Unless otherwise stated in the Article 1, Statement of Work or Purchase Order, "Final Acceptance" of each Deliverable must occur when each Deliverable/Service has been approved by the State following the State Review Periods identified in **Sections 2.251-2.257**. Payment will be made for Deliverables installed and accepted. Upon acceptance of a Service, the State will pay for all Services provided during the State Review Period that conformed to the acceptance criteria.

2.260 Ownership

2.261 Ownership of Work Product by State

The State owns all Deliverables as they are works made for hire by the Contractor for the State. The State owns all United States and international copyrights, trademarks, patents, or other proprietary rights in the Deliverables.

2.262 Vesting of Rights

With the sole exception of any preexisting licensed works identified in the SOW, the Contractor assigns, and upon creation of each Deliverable automatically assigns, to the State, ownership of all United States and international copyrights, trademarks, patents, or other proprietary rights in each and every Deliverable, whether or not registered by the Contractor, insofar as any the Deliverable, by operation of law, may not be considered work made for hire by the Contractor for the State. From time to time upon the State's request, the Contractor must confirm the assignment by execution and delivery of the assignments, confirmations of assignment, or other written instruments as the State may request. The State may obtain and hold in its own name all copyright, trademark, and patent registrations and other evidence of rights that may be available for Deliverables.

2.263 Rights in Data

(a) The State is the owner of all data made available by the State to the Contractor or its agents, Subcontractors or representatives under the Contract. The Contractor must not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of the Contractor. No employees of the Contractor, other than those on a strictly need-to-know basis, have access to the State's data. Contractor must not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, the Contractor must only use personally identifiable information as strictly necessary to provide the Services and must disclose the information only to its employees who have a strict need-to-know the information. The Contractor must comply at all times with all laws and regulations applicable to the personally identifiable information.

(b) The State is the owner of all State-specific data under the Contract. The State may use the data provided by the Contractor for any purpose. The State must not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State may use personally identifiable information only as strictly necessary to utilize the Services and must disclose the information only to its employees who have a strict need to know the information, except as provided by law. The State must comply at all times with all laws and regulations applicable to the personally identifiable information. Other material developed and provided to the State remains the State's sole and exclusive property.

2.264 Ownership of Materials

The State and the Contractor will continue to own their respective proprietary technologies developed before entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State. Any software licensed through the Contractor and sold to the State, will be licensed directly to the State.

2.270 State Standards

2.271 Existing Technology Standards

The Contractor must adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://www.michigan.gov/dit>.

2.272 Acceptable Use Policy

To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see <http://www.michigan.gov/ditservice>. All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

2.273 Systems Changes

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the Project Manager. Any changes Contractor makes to State systems with the State's approval must be done according to applicable State procedures, including security, access, and configuration management procedures.

2.280 Extended Purchasing

2.281 MIDEAL

1984 PA 431 permits DTMB to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. A current listing of approved program members is available at: www.michigan.gov/buymichiganfirst. Unless otherwise stated, the Contractor must ensure that the non-state agency is an authorized purchaser before extending the Contract pricing.

The Contractor must supply Contract Services and equipment to these local governmental agencies at the established State of Michigan contract prices and terms to the extent applicable and where available. The Contractor must send its invoices to, and pay the local unit of government, on a direct and individual basis.

To the extent that authorized local units of government purchase quantities of Services and/or equipment under the Contract, the quantities of Services and/or equipment purchased must be included in determining the appropriate rate wherever tiered pricing based on quantity is provided.

1984 PA 431 permits the State of Michigan, DTMB, to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. As a result of the enactment of this legislation, the MIDEAL Program has been developed. This program extends the use of state contracts to program members. The governmental agency must enter into an agreement with the State of Michigan to become authorized to participate, thus ensuring that local units of government secure a greater return for the expenditure of public funds.

In those cases, Contractors supply merchandise at the established State of Michigan contract prices and terms. The Contractor must submit invoices and pay the authorized MIDEAL member on a direct and individual basis according to contract terms.

IT IS MANDATORY THAT ALL CONTRACTS RESULTING FROM THIS RFP MUST BE MADE AVAILABLE TO ALL STATE OF MICHIGAN AGENCIES AND AUTHORIZED MIDEAL PURCHASING PROGRAM MEMBERS.

Please Visit Mi DEAL at www.michigan.gov/buymichiganfirst under MiDeal.

Estimated requirements for authorized local units of government are not included in the quantities shown in this RFP.

2.282 State Employee Purchases - Deleted/Not Applicable

2.290 Environmental Provision

2.291 Environmental Provision

Hazardous Materials:

For the purposes of this Section, "Hazardous Materials" is a generic term used to describe asbestos, ACBMs, PCBs, petroleum products, construction materials including paint thinners, solvents, gasoline, oil, and any other material the manufacture, use, treatment, storage, transportation, or disposal of which is regulated by the federal, State, or local laws governing the protection of the public health, natural resources, or the environment. This includes, but is not limited to, materials such as batteries and circuit packs, and other materials that are regulated as (1) "Hazardous Materials" under the Hazardous Materials Transportation Act, (2) "chemical hazards" under the Occupational Safety and Health Administration standards, (3) "chemical substances or mixtures" under the Toxic Substances Control Act, (4) "pesticides" under the Federal Insecticide Fungicide and Rodenticide Act, and (5) "hazardous wastes" as defined or listed under the Resource Conservation and Recovery Act.

(a) The Contractor must use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State, and local laws. The State must provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State must advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor must immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.

(b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State must order a suspension of Work in writing. The State must proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State must terminate the affected Work for the State's convenience.

(c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor must resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in **Section 2.242** for a time as mutually agreed by the parties.

(d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor must bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

Michigan has a Consumer Products Rule pertaining to labeling of certain products containing volatile organic compounds. For specific details visit http://www.michigan.gov/deq/0,1607,7-135-3310_4108-173523--,00.html

Refrigeration and Air Conditioning:

The Contractor must comply with the applicable requirements of Sections 608 and 609 of the Clean Air Act (42 U.S.C. 7671g and 7671h) as each or both apply to the Contract.

Environmental Performance:

Waste Reduction Program: Contractor must establish a program to promote cost-effective waste reduction in all operations and facilities covered by the Contract. The Contractor's programs must comply with applicable Federal, State, and local requirements, specifically including Section 6002 of the Resource Conservation and Recovery Act (42 U.S.C. 6962, et seq.).

2.300 Other Provisions

2.311 Forced Labor, Convict Labor, Forced or Indentured Child Labor, or Indentured Servitude Made Materials

Equipment, materials, or supplies, that will be furnished to the State under the Contract must not be produced in whole or in part by forced labor, convict labor, forced or indentured child labor, or indentured servitude.

"Forced or indentured child labor" means all work or service: exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or performed by any person under the age of 18 under a contract the enforcement of which can be accomplished by process or penalties.

Attachment A, Price Proposal

PROGRAM BUDGET – COST SUMMARY

	YEAR 1	YEAR 2	YEAR 3	TOTAL
1. Salaries and Wages	\$1,059,000	\$1,142,770	\$1,274,058	\$3,475,828
2. Fringe Benefits	\$275,340	\$297,120	\$331,254	\$903,714
3. Travel	\$15,000	\$15,000	\$15,000	\$45,000
4. Supplies and Materials	\$82,410	\$82,410	\$82,410	\$247,230
5. Contractual	\$119,000	\$119,000	\$119,000	\$357,000
6. Equipment	\$8,400	\$8,400	\$8,400	\$25,200
7. Other Expenses	\$86,000	\$86,000	\$86,000	\$258,000
8. Total Direct Expenditures	\$1,645,150	\$1,750,700	\$1,916,122	\$5,311,972
9. Indirect Costs/ Administrative Overhead	\$156,387	\$155,595	\$154,354	\$466,336
TOTAL EXPENDITURES (from Cost Detail Schedule, Line 10)	\$1,801,537	\$1,906,295	\$2,070,476	\$5,778,308

**PROGRAM BUDGET – COST DETAIL SCHEDULE
YEAR 1**

Michigan Department of Community Health - Health Professional Recovery Program (HPRP)																					
1. SALARIES & WAGES POSITION DESCRIPTION	COMMENTS	POSITIONS REQUIRED	TOTAL SALARY																		
Intake Coordinator		3.00	\$135,000																		
Case Manager		11.00	\$572,000																		
Account Manager		1.00	\$58,000																		
Clerical		1.00	\$36,000																		
Program Director		1.00	\$90,000																		
Executive Management		0.40	\$44,000																		
Quality Assurance		0.40	\$24,000																		
Tech Support		0.50	\$30,000																		
Programmer		0.40	\$30,000																		
Accts Payable, Receivable, Admin		0.50	\$25,000																		
Training Developer		0.25	\$15,000																		
1. TOTAL SALARIES & WAGES:		19.45	\$1,059,000																		
2. FRINGE BENEFITS (Specify) <input checked="" type="checkbox"/> FICA <input checked="" type="checkbox"/> LIFE INS. <input type="checkbox"/> DENTAL INS. COMPOSITE RATE <input type="checkbox"/> UNEMPLOY INS. <input type="checkbox"/> VISION INS. <input checked="" type="checkbox"/> WORK COMP. AMOUNT 26.00% <input checked="" type="checkbox"/> RETIREMENT <input checked="" type="checkbox"/> HEARING INS. <input type="checkbox"/> HOSPITAL INS. <input checked="" type="checkbox"/> OTHER (specify) EAP			2. TOTAL FRINGE BENEFITS: \$275,340																		
3. TRAVEL (Specify if category exceeds 10% of Total Expenditures) _____			3. TOTAL TRAVEL: \$15,000																		
4. SUPPLIES & MATERIALS (Specify if category exceeds 10% of Total Expenditures) _____			4. TOTAL SUPPLIES & MATERIALS: \$82,410																		
5. CONTRACTUAL (Subcontracts) <table border="0"> <thead> <tr> <th><u>Name</u></th> <th><u>Address</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>Medical Consultant</td> <td></td> <td align="right">\$85,000</td> </tr> <tr> <td>Website/Content Developer</td> <td></td> <td align="right">\$15,000</td> </tr> <tr> <td>ProtoCall</td> <td></td> <td align="right">\$10,000</td> </tr> <tr> <td>PALS</td> <td></td> <td align="right">\$4,000</td> </tr> <tr> <td>Contractual Tech Support</td> <td></td> <td align="right">\$5,000</td> </tr> </tbody> </table>			<u>Name</u>	<u>Address</u>	<u>Amount</u>	Medical Consultant		\$85,000	Website/Content Developer		\$15,000	ProtoCall		\$10,000	PALS		\$4,000	Contractual Tech Support		\$5,000	5. TOTAL CONTRACTUAL: \$119,000
<u>Name</u>	<u>Address</u>	<u>Amount</u>																			
Medical Consultant		\$85,000																			
Website/Content Developer		\$15,000																			
ProtoCall		\$10,000																			
PALS		\$4,000																			
Contractual Tech Support		\$5,000																			
6. EQUIPMENT (Specify items) Network, copy/scanner lease/maintenance _____			6. TOTAL EQUIPMENT: \$8,400																		
7. OTHER EXPENSES (Specify if category exceeds 10% of Total Expenditures) _____ _____			7. TOTAL OTHER: \$86,000																		
8. TOTAL DIRECT EXPENDITURES (Sum of Totals 1-7)			\$1,645,150																		
9. INDIRECT COSTS/ADMINISTRATIVE OVERHEAD _____ _____ _____ Indirect expenditures and administrative expenses Corporate income taxes _____ _____			9. TOTAL INDIRECT COSTS/ADMINISTRATIVE OVERHEAD \$156,387																		
10. TOTAL EXPENDITURES – YEAR 1 (Sum of lines 8-9)			\$1,801,537																		

**PROGRAM BUDGET – COST DETAIL SCHEDULE
YEAR 2**

Michigan Department of Community Health - Health Professional Recovery Program (HPRP)			
1. SALARIES & WAGES POSITION DESCRIPTION	COMMENTS	POSITIONS REQUIRED	TOTAL SALARY
Intake Coordinator	3% Salary Increase	3.00	\$139,050
Case Manager	3% Salary Increase	12.00	\$641,160
Account Manager	3% Salary Increase	1.00	\$59,740
Clerical	3% Salary Increase	1.00	\$37,080
Program Director	3% Salary Increase	1.00	\$92,700
Executive Management	3% Salary Increase	0.40	\$45,320
Quality Assurance	3% Salary Increase	0.40	\$24,720
Tech Support	3% Salary Increase	0.50	\$30,900
Programmer	3% Salary Increase	0.40	\$30,900
Accts Payable, Receivable, Admin	3% Salary Increase	0.50	\$25,750
Training Developer	3% Salary Increase	0.25	\$15,450
1. TOTAL SALARIES & WAGES:		20.45	\$1,142,770
2. FRINGE BENEFITS (Specify) <input type="checkbox"/> <input checked="" type="checkbox"/> FICA <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> LIFE INS. <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> DENTAL INS. COMPOSITE RATE <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> UNEMPLOY INS. <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> VISION INS. <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> WORK COMP. AMOUNT 26.00% <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> RETIREMENT <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> HEARING INS. <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> HOSPITAL INS. <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> OTHER (specify) <u>EAP</u>			\$297,120
2. TOTAL FRINGE BENEFITS:			\$297,120
3. TRAVEL (Specify if category exceeds 10% of Total Expenditures) <hr/>			
3. TOTAL TRAVEL:			\$15,000

4. SUPPLIES & MATERIALS (Specify if category exceeds 10% of Total Expenditures)		
4. TOTAL SUPPLIES & MATERIALS:		\$82,410
5. CONTRACTUAL (Subcontracts)		
<u>Name</u>	<u>Address</u>	<u>Amount</u>
Medical Consultant		\$85,000
Website/Content Developer		\$15,000
ProtoCall		\$10,000
PALS		\$4,000
Contractual Tech Support		\$5,000
5. TOTAL CONTRACTUAL:		\$119,000
6. EQUIPMENT (Specify items)		
<u>Network, copy/scanner lease/maintenance</u>		
6. TOTAL EQUIPMENT:		\$8,400
7. OTHER EXPENSES (Specify if category exceeds 10% of Total Expenditures)		
7. TOTAL OTHER:		\$86,000
8. TOTAL DIRECT EXPENDITURES (Sum of Totals 1-7)		\$1,750,700
9. INDIRECT COSTS/ADMINISTRATIVE OVERHEAD		
		<u>Amount</u>
Indirect expenditures and administrative expenses		
Corporate income taxes		
9. TOTAL INDIRECT COSTS/ADMINISTRATIVE OVERHEAD		\$155,595
10. TOTAL EXPENDITURES – YEAR 2 (Sum of lines 8-9)		\$1,906,295

Michigan Department of Community Health - Health Professional Recovery Program (HPRP)																					
1. SALARIES & WAGES POSITION DESCRIPTION	COMMENTS	POSITIONS REQUIRED	TOTAL SALARY																		
Intake Coordinator	3% Salary Increase	4.00	\$188,223																		
Case Manager	3% Salary Increase	13.00	\$712,397																		
Account Manager	3% Salary Increase	1.00	\$61,532																		
Clerical	3% Salary Increase	1.00	\$38,192																		
Program Director	3% Salary Increase	1.00	\$95,481																		
Executive Management	3% Salary Increase	0.40	\$46,680																		
Quality Assurance	3% Salary Increase	0.40	\$25,462																		
Tech Support	3% Salary Increase	0.50	\$31,827																		
Programmer	3% Salary Increase	0.40	\$31,827																		
Accts Payable, Receivable, Admin	3% Salary Increase	0.50	\$26,523																		
Training Developer	3% Salary Increase	0.25	\$15,914																		
1. TOTAL SALARIES & WAGES:		22.45	\$1,274,058																		
2. FRINGE BENEFITS (Specify) <input checked="" type="checkbox"/> FICA <input checked="" type="checkbox"/> LIFE INS. <input type="checkbox"/> DENTAL INS. COMPOSITE RATE <input type="checkbox"/> UNEMPLOY INS. <input type="checkbox"/> VISION INS. <input checked="" type="checkbox"/> WORK COMP. AMOUNT 26.00% <input checked="" type="checkbox"/> RETIREMENT <input type="checkbox"/> HEARING INS. <input type="checkbox"/> HOSPITAL INS. <input checked="" type="checkbox"/> OTHER (specify) EAP			2. TOTAL FRINGE BENEFITS: \$331,253																		
3. TRAVEL (Specify if category exceeds 10% of Total Expenditures) _____ <div style="text-align: right;">3. TOTAL TRAVEL:</div>			\$15,000																		
4. SUPPLIES & MATERIALS (Specify if category exceeds 10% of Total Expenditures) _____ <div style="text-align: right;">4. TOTAL SUPPLIES & MATERIALS:</div>			\$82,410																		
5. CONTRACTUAL (Subcontracts) <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><u>Name</u></th> <th style="text-align: left;"><u>Address</u></th> <th style="text-align: left;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>Medical Consultant</td> <td></td> <td>\$85,000</td> </tr> <tr> <td>Website/Content Developer</td> <td></td> <td>\$15,000</td> </tr> <tr> <td>ProtoCall</td> <td></td> <td>\$10,000</td> </tr> <tr> <td>PALS</td> <td></td> <td>\$4,000</td> </tr> <tr> <td>Contractual Tech Support</td> <td></td> <td>\$5,000</td> </tr> </tbody> </table> <div style="text-align: right;">5. TOTAL CONTRACTUAL:</div>			<u>Name</u>	<u>Address</u>	<u>Amount</u>	Medical Consultant		\$85,000	Website/Content Developer		\$15,000	ProtoCall		\$10,000	PALS		\$4,000	Contractual Tech Support		\$5,000	\$119,000
<u>Name</u>	<u>Address</u>	<u>Amount</u>																			
Medical Consultant		\$85,000																			
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Contractual Tech Support		\$5,000																			
6. EQUIPMENT (Specify items) Network, copy/scanner lease/maintenance _____ <div style="text-align: right;">6. TOTAL EQUIPMENT:</div>			\$8,400																		
7. OTHER EXPENSES (Specify if category exceeds 10% of Total Expenditures) _____ _____ <div style="text-align: right;">7. TOTAL OTHER:</div>			\$86,000																		
8. TOTAL DIRECT EXPENDITURES (Sum of Totals 1-7)			\$1,916,116																		
9. INDIRECT COSTS/ADMINISTRATIVE OVERHEAD <div style="text-align: right;"><u>Amount</u></div> Indirect expenditures and administrative expenses Corporate income taxes <div style="text-align: center;">100</div>			9. TOTAL INDIRECT COSTS/ADMINISTRATIVE OVERHEAD \$154,354																		
10. TOTAL EXPENDITURES – YEAR 3 (Sum of lines 8-9)			\$2,070,476																		

