



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

CONTRACT CHANGE NOTICE

Change Notice Number 2

to

Contract Number 071B5500143

CONTRACTOR	Edge Partnerships
	117 E. Kalamazoo Street
	Lansing, MI 48909
	Lorri Rishar
	517-853-6787
	lorri@edgepartnerships.com
	*****3898

STATE	Program Manager	Suzanne Thelen	DMVA
		517-284-5208	
		thelens3@michigan.gov	
	Contract Administrator	Mary Ostrowski	DTMB
		(517) 284-7021	
		ostrowskim@michigan.gov	

CONTRACT SUMMARY

CREATIVE AND MARKETING SERVICES DMVA MVAA

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 15, 2015	September 14, 2016	2 - 1 Year	September 14, 2017

PAYMENT TERMS	DELIVERY TIMEFRAME
	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 type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
\$785,000.00	\$100,000.00	\$885,000.00

DESCRIPTION

Effective December 15, 2016, this contract is hereby increased by \$100,000.00. The November 2016-2017 Media Campaign Budget, Attachment A, is attached.

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

Attachment A

November 2016-September 2017 Media Campaign Budget

BUDGET ITEM	BUDGETED COST	% of BUDGET	METRICS
Broadcast (radio & TV)	\$160,800	54%	GRP, Reach, Freq.
Digital Advertising	\$134,200	46%	CTR, Conversions
TOTAL AD BUDGET	\$295,000		

BUDGET ITEM	BUDGETED COST
Strategy & Planning	\$6,000
Three (3) :30 TV Ads	\$20,000
:30/:60 Radio Ads	\$4,400
Digital Ads (design/monitor)	\$12,200
Media placement (services)	\$22,155
Advertising	\$295,000
TOTAL BUDGET	\$359,755



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 1
to
Contract Number 071B5500143

CONTRACTOR	Edge Partnerships
	117 E. Kalamazoo Street
	Lansing, MI 48909
	Lorri Rishar
	517-853-6787
	lorri@edgepartnerships.com
	*****3898

STATE	Program Manager	Suzanne Thelen	DMVA
		517-284-5208	
		thelens3@michigan.gov	
	Contract Administrator	Mary Ostrowski	DTMB
		(517) 284-7021	
		OstrowskiM@michigan.gov	

CONTRACT SUMMARY				
DESCRIPTION: Creative and Marketing Services DMVA MVAA				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
September 15, 2015	September 14, 2016	2 - 1 Year	September 14, 2016	
PAYMENT TERMS		DELIVERY TIMEFRAME		
2NET15 on \$59,200; Net 45		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input 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"/>	1 Year	<input type="checkbox"/>		September 14, 2017
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$ 785,000.00		\$ 0.00	\$ 785,000.00	
<p>DESCRIPTION: Effective September 15, 2016, the first option year available on this Contract is hereby exercised. The revised Contract expiration date is September 14, 2017.</p> <p>All other terms, conditions, specifications, and pricing remain the same. Per vendor and agency agreement and DTMB procurement approval.</p>				

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

NOTICE OF CONTRACT NO. 071B5500143
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Edge Partnerships 117 E. Kalamazoo Street Lansing, MI	Lorri Rishar	lorri@edgepartnerships.com
	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
	(517) 853-6787	3898

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DMVA, MVAA	Suzanne Thelen	(517) 284-5208	Thelens3@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Mary Ostrowski	(517) 284-7021	ostrowskim@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Creative and Marketing Services – DMVA, MVAA			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
1 Year	September 15, 2015	September 14, 2016	2 – One Year
PAYMENT TERMS	F.O.B.	SHIPPED TO	
2NET15 on \$59,200; Net 45	N/A	N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:			\$785,000.00

For the Contractor:

,
Contract Administrator
Edge Partnerships

Date

For the State:

Tom Falik,
Services Director
State of Michigan

Date



STATE OF MICHIGAN
Contract No. 071B5500143
Creative and Marketing Services DMVA, MVAA

EXHIBIT A
STATEMENT OF WORK
CONTRACT ACTIVITIES

Background

The Michigan Veteran Affairs Agency (MVAA) is a civilian division of Department of Military and Veteran Affairs (DMVA) and is the State agency charged with creating awareness of federal benefit, state programs and local resources available to veterans and their families. The agency serves as the central coordinating point for all veteran services in state government and is accredited by the United States Department of Veteran Affairs (USDVA) to represent veterans within the VA system.

MVAA communications efforts primarily focus on conducting highly visible brand awareness campaigns communicating agency services and inviting veterans to contact the Michigan Veterans Resource Service Center's 800 number (800-MICH-VET) and directing veterans to the agency's one stop web portal, MichiganVeterans.com. The agency also advertises special events and targeted outreach campaigns to specific veteran populations.

Each MVAA media campaign is designed using the medium and message specifically target to the intended audience.

MVAA has an in-house Communications staff to handle earned media/news media relations, printing, warehousing and distribution of all materials, and limited graphic design (mainly reports, newsletters, charts, annual meeting materials, etc.).

This is a one year contract with two option years. MVAA has a one year budget of \$785,000. Budgeted amount for additional years is subject to annual appropriations.

The overall goal is to increase the awareness of agency support for veterans and invite them to engage agency services by broadly advertising the Michigan Veterans Resource Service Center and Michigan Veterans web portal.

A. Statewide Television and Radio

Target audience:

Men 25- 54; Women 25-54; Men 55+

Messages include combination of MVAA brand awareness (75%) and Vietnam era health risks (25%).

Program summary:

The programs goal would be to create brand awareness of the Michigan Veterans Affairs Agency and the Michigan Veteran Resource Service Center 800 number and compel the viewer to contact the agency. Also it would create awareness of benefit eligibility for Vietnam era veterans.

Messages:

- (1) "MVAA provides one-stop assistance to veterans and their families, 24/7/365 through the Michigan Veterans Resource Service Center at 800-MICH-VET."
- (2) "Vietnam veterans are more likely to have a service connected health issue and should meet with an accredited Veteran Service Officer for a benefit check or re-check."

B. Statewide Outdoor

Target audience:

Men and women ages 45-65 who have served in the United States Armed Services.

**Program summary:**

The programs goal would be to create brand awareness of the Michigan Veterans Affairs Agency and the Michigan Veteran Resource Service Center 800 number and compel the viewer to contact the agency.

Message:

“Have you ever worn the uniform? Call MVAA to see how you qualify for the benefits you’ve earned.”

C. Digital Advertising

MVAA plans to use internet advertising and seeks to incorporate a social media strategy/component (such as Facebook, Twitter, blogs, and other emerging new media platforms) into future communication campaigns. Contractor will work with MVAA to determine targeted audience and markers.

Program summary:

Contractor will use behavioral and geographic markers to identify and communicate with veterans and family members to encourage them to seek the services provided by MVAA.

Message:

Program assistance is available through the website, MichiganVeterans.com and the MVRSC.

D. Print Advertising

Print Advertising re-enforces the brand with specific audiences within the business, education and healthcare communities. MVAA will work with the contractor to identify opportunities to reach key audiences through advertising placed in business, education, healthcare and veteran service publications and journals on a case by case basis.

E. Sport Marketing (seasonal)**Target audience:**

Veterans: Men 25-54, Women 25-54

Program summary:

The purpose of this campaign is to increase awareness of the agency to veterans. Michigan-based college and professional sports programs that offer special veteran programming or ties to military service programs are a great way to co-brand agency services with a trusted program to loyal supporters.

Specifically, MSU football and basketball, University of Michigan basketball, Detroit Lions, Detroit Pistons and Detroit Red Wings programs offer opportunities to the agency to co-brand using television, radio, print and in venue advertising.

Message:

“If you’ve ever served in the U.S. Armed Services, you’re eligible for some level of benefits. Find out what you’ve earned today. Contact the Michigan Veterans Affairs Agency at 1-800-MICH-VET or at MichiganVeterans.com.”

Mediums that provide additional time will have a more richly developed message.

1. Requirements**1.1 Overall Scope**

1. Achieving maximum effectiveness and efficiency in expenditures for marketing, promotion, social media and advertising services, supplies and materials to ensure awareness of messages within target audience.
2. Working within program budget, guidelines and message strategies as directed by MVAA.



The Contractor will take the following steps (described in Section 1.2) to gain maximum effectiveness and efficiency for MVAA:

Step 1: Kick-Off – Includes approval of work plan and corresponding budgets.

Step 2: Planning & Research -- Data inventory review, focus group planning and implementation, and research analysis.

Step 3: Creative Concepts & Development -- Based on the research phase, concepts are designed and incorporate testing messaging.

Step 4: Television & Radio Advertising -- Production of PSAs, web-based marketing, video and radio production, printing advertising and outdoor advertisements.

Step 5: Social Media Creation – Blogging, Facebook and Twitter management, YouTube content and channel development.

Step 6: Media Placement – Media planning, negotiation and value-added, approval of plan and placement, media auditing and measurement.

1.2 Work and Deliverables

The Contractor must provide technical assistance and support to MVAA in the development of communications and marketing campaigns and related tools that can be used to increase brand and program awareness, and reach targeted audiences. These activities may include: create print, radio, television, digital and outdoor advertisements; identify new and emerging cost effective ways to reach the target audience; create collateral materials; update materials for new campaigns; create and execute a sports marketing campaign; develop communications materials for emerging campaigns in addition to the anchor campaigns for priority issues of MVAA requiring communications support; and comply with meeting and reporting requirements as specified.

Main tasks to be accomplished for each media campaign include:

1. Identify a marketing strategy for MVAA brand and program awareness.
2. Identify and develop creative concepts for MVAA brand and program.
3. Conduct marketing research such as focus group testing, telephone or intercept surveys.
4. Produce and duplicate media materials as needed.
5. Develop a media plan for MVAA brand and program awareness.
6. Place media messages, conduct advertising tracking surveys and produce monthly and quarterly reports.

- A. The Contractor is responsible for coordinating with existing agency communications and for developing advertising and marketing plans for projects/issues for appropriate target audiences, messages, message strategies, and communication vehicles that help meet stated objectives.

The Contractor's strategy will provide key observations, analysis of data elements, positioning, audience identification, strategies, objectives, tactics, implementation and monitoring. As a multi-specialty agency, the overall strategy for MVAA encompasses marketing and communications along with an accompanying advertising plan.

The Contractor will first seek to understand, which often takes the form of a communications audit of existing materials. Through the auditing process, the Contractor will identify all current messaging, audiences, objectives and outcomes as well as determines adherence to brand standards.

Following the audit, a MVAA master calendar will be created to coordinate and optimize the timing for delivery. Special note is made: If target audiences receive too much information from the MVAA at any given time, there is the risk of no message being heard accompanied by diminished engagement.

- B. The Contractor is responsible for conducting market research, as appropriate, to better assess the target populations that the State is trying to reach with its communication efforts. This market research may include the use of marketing databases such as Prizm, intercept surveys, focus groups, observational research, and other tools as approved to help determine/refine message and creative strategies.



The Contractor will first seek to understand MVAA. The Contractor will perform quantitative and qualitative research to provide understanding the perception and awareness of MVAA's target audiences. This will be done through surveying, focus groups, one-on-one interviews and review of other existing resources, as well as reviewing available data from the Agency.

The Contractor will research veteran needs and behaviors, conduct online surveys and focus groups. The Contractor will identify and recruit participants, write the survey and moderator guide, coordinate all logistics, and compile all analysis. The Contractor will perform all of these functions and provide tactical recommendations.

The Contractor has already found and reviewed a substantial amount of data available on Michigan veterans, including resources available through the agency and state Department of Military and Veteran Affairs. Additional findings will shed light on the behaviors and media consumption habits of veterans. This information will help in developing both the marketing and communications plans and advertising placement.

The Contractor will create consumer surveys, conduct focus groups, one-on-one interviews, and partner with Simpson Scarborough, Nielsen, EPIC-MRA, MRG, Capitol Research and other researchers across the country as needed, to gain a full understanding of the target populations for this Contract. For the Contractor's focus group research, the Contractor will recruit participants from identified target audiences, including Michigan veterans from different demographic groups and geographic regional.

The Contractor's research will guarantee that messaging and creative concepts are hitting the right targets with the right messages and calls to action using the most effective median.

- C. The Contractor is responsible for developing social media/new media strategies and deliverables to complement advertising and earned media campaigns.

The Contractor will conduct research to determine the best online advertising options.

The Contractor will maximize lower cost social media options to share veterans' stories/testimonials and promote MVAA resources.

- D. The Contractor is responsible for developing or modifying advertising/marketing/creative concepts and direction (including but not limited to 5-, 10, 15- and 30-second TV and 30- and 60-second radio spots).
- a. All creative concepts/materials/productions must be copyright free, including non-rights managed visual materials (to be used in print, online and other forms) and full buy-out (unrestricted use) of talent in all Michigan media (broadcast, cable, and online) for a minimum four year period. The Contractor must ensure that, in negotiations of talent rights, the State will be signatory on all talent/property rights.
 - b. It is essential that all communications be diverse and culturally competent.

The Contractor's process for producing engaging creatives for MVAA will start with research on the targeted audiences, including behavioral trends and media consumption activities. Following the research phase, the graphics team will develop several creative concepts with key messages and corresponding calls to action. Each campaign will be a co-branded package so that all medians effectively deliver developed key messages, reach the targeted audiences, and engage veterans and their families to call 800-MICH-VET, visit MichiganVeterans.com or other desired action. Among these concepts are storyboards for TV spots and scripting for both radio and TV. These will then be shared with MVAA for initial feedback.



Next, the Contractor will conduct focus groups made up of representatives from the MVAA target audiences to capture their responses as they pertain to the effectiveness of images, words and overall design. Their input on images, wording and calls to action will be vetted and incorporated into final designs to produce the most impactful creative materials to reach Michigan veterans and their families.

Upon MVAA approval, the production phase will commence and include file preparation, production schedules, diverse talent procurement, music selection/production, and other logistics to produce and finalize materials for print, broadcast, outdoor and digital/online.

- E. The Contractor must direct and coordinate television and radio production and review all aspects including budgets, casting, music, and special effects with MVAA.
 - a. The Contractor is responsible for shooting, recording, editing, and post-production.
 - b. The Contractor must deliver both rough cuts and finished spots to MVAA for final approval within the timeframe defined by MVAA, but no less than one working day
 - c. The Contractor is responsible for producing and duplicating media materials as needed in a variety of formats, including Beta, Digital Beta, wmv files, mov files, mp3 files, etc.

The Contractor will act as the director for all video development for MVAA. The Contractor will produce a messaged script and copy. The Contractor will work with a subcontractor to produce the video and then will duplicate and distribute all materials to preferred media. In addition, the Contractor has strategic partnerships with outdoor production companies where duplication of outdoor will bring cost savings to MVAA.

The Contractor will work with MVAA to draft, edit and approve television and radio spots. After approval, the Contractor will identify talent and locations. After MVAA approval, the Contractor will direct the shooting of the video production, edit, post production and delivery of the product. At each step, the Contractor will meet with MVAA to receive final approval.

The following steps (which will be constantly fine-tuned due to formatting changes) will be used for MVAA when trafficking materials to stations and are the core of the process, which is estimated to begin one week prior to the start of a media campaign.

- 1. The Program Manager will give final approval to all materials.
 - 2. The Contractor will complete all necessary paperwork and correspondence for traffic instructions, dub orders and uploading. Specific details include: MVAA name/campaign, name of spot and tracking number, media markets spots will run, flight dates, station name and call letters, spot rotation percentage, and upload date and receiver.
 - 3. The Contractor will place the traffic order with the distribution company via email and phone call. The order will include MVAA name/campaign, name of spot and tracking number, flight dates, station name and call letters, format requested by station, and due date and distribution method.
 - 4. The Contractor will deliver spots to appropriate media outlets and other identified locations via electronic distribution such as FTP and ReachMedia. Delivery will be tracked to guarantee receipt by media outlets.
- F. The Contractor is responsible for producing internet project deliverables in support of TV and radio messaging, including repurposed-TV ads, banner ads, rich media ads, splash pages, etc.

The Contractor will ensure that digital components include compelling images and copy accompanied by strong calls to action to capture the attention of an online user. The Contractor will create deliverables that reach the right audience with the right creative and on the right digital platform. In addition, the Contractor's production team will edit existing creative in order to cross-market and repurpose for online video content and display advertising.



The Contractor will design and produce display advertising using the preferred messaging and video content. The Contractor's strategic partnership with Google will provide the opportunity to maximize key words and build the most effective SEM campaign for MVAA. The Contractor will then build an online campaign with the preferred demographic along with channels and pages visited. The Contractor will work with the Google team of experts to upload all banner ads, rich media ads, etc. Once completed, the Contractor will provide day-to-day monitoring in order to adjust real-time key words and advertising.

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

The Contractor will customize a branded campaign for each platform. The Contractor will use images with short messages for outdoor and banners, emotional connections through storytelling and vocals for radio, and attention-grabbing content for email marketing.

The Contractor will work with MVAA to develop outdoor advertising using the guideline of seven words or images for the maximum impact. In e-mail marketing, The Contractor's copywriting team will use key words and impactful statements to deliver a message guaranteed to deliver return on investment.

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

The Contractor is responsible for developing media plans for paid advertising outlining:

- Paid media budget
- Target audience
- Flight dates
- Geography/media markets
- Advertising units
- Media weight (gross rating point/GRP) levels and expenditures for each medium in each market

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

The Contractor must inform the State of and evaluate as requested any special or unique media placements or opportunities.

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

1. The Contractor must negotiate make-good media-weight for any under-delivery to be scheduled during the next paid media flight.
2. It is anticipated that the Contractor will negotiate bonus media weight to supplement the media buys and a final report of the base buy plus the bonus weight delivered no later than 60 days after the media buy and bonus have aired. Return on Investment (ROI) for the bonus weight must be included in the report.

Media Plan

The Contractor will use a strategic combination of resources to develop media plans, including Nielsen, Arbitron, Gross Point Ratings, Cost Per Point, impressions and click-throughs. To keep costs low and pass those saving on to the State, the Contractor has developed an auditing system, powered by the resources noted above as well as Michigan Press Association and Michigan Association of Broadcasters.



The Contractor’s approach will include analysis of Arbitron ratings to measure each station’s performance within the targeted demographics in each market. A station ranker will be pulled from Arbitron research, and the top-rated stations will be contacted to submit rates.

After gathering station spot costs, the Contractor will determine each outlet’s Cost Per Point (CPP), which is equated by dividing the costs of the spot by the rating. Stations with the lowest CPP will then be selected, provided its format (type of music/programming and demographics) is effective in reaching the MVAA’s targets.

CPP will also be used to negotiate rates by measuring the cost effectiveness of each station. The Contractor will maximize the State’s resources by getting the most air time for the least amount of money for media purchases.

The Contractor will also analyze the strengths and weaknesses of each media platform to determine the best outlet for the creative materials and the media consumption behaviors of the targeted audiences. To help the State better understand the advertising planning process, the Contractor offers the following summary:

<p><i>Why TV?</i> <i>Sight, sound, motion, emotion</i> <i>Program targeting to reach demographic</i> <i>High-reach levels</i></p>	<p><i>Why Print?</i> <i>Target consumers by section/publication</i> <i>More detailed information</i> <i>High-reach levels</i></p>
<p><i>Why Outdoor?</i> <i>Builds awareness and brands</i> <i>High frequency, # of impressions</i> <i>Cannot be turned off or thrown away</i></p>	<p><i>Why Radio?</i> <i>Everywhere ... home, office, car</i> <i>Available 24/7</i> <i>Low cost couple with high frequency</i></p>
<p><i>Why Digital & Social</i> <i>Dynamic</i> <i>Fastest growing media</i> <i>Ability to target</i> <i>Measurable</i> <i>Multiple platforms</i> <i>Reach specific demographic & geographic targets</i> <i>(Geo-Targeting)</i> <i>Pay Per Click (PPC)</i> <i>Search Engine Optimization (organic search results)</i> <i>Integration of advertising with social media use</i></p>	<p><i>Why Direct Mail?</i> <i>Reach demographic targets</i> <i>Read in private setting numerous times</i> <i>Creative flexibility</i></p>

In addition to CPPs, the Contractor will rely on Gross Rating Points (GRPs) to draft the strategic advertising plan. GRPs are used to determine the reach and frequency of radio and television schedules. They are the sum of the ratings delivered within one week within one medium.

Generally, one rating point means an audience of 1 percent of the coverage base. GRPs are duplicated ratings (the same listener may listen to two different radio stations, and cross over occurs). Estimates for rating points are used to determine reach (percentage of the audience) and the frequency (how many times that audience is reached) of a radio or TV schedule.

Below is a summary of strategies and terminology used when strategically planning media purchases:

Ratings: One rating point represents 1 percent of the homes whose TV or radio is tuned to a station. Arbitron measures radio; Nielsen measures TV.



GRPs: The sum of the ratings for each campaign.

Reach: The number of different people or homes exposed to a message.

Frequency: The average number of times the demographic is exposed to a message.

Accumulated Audience and Reach: Audience accumulation grows each week a campaign is on the air.

Geo-Targeting: Digital ads appear only when a specified keyword is searched from a specified geographic region.

Pay Per Click: Advertiser pays only when their ad is clicked on by consumer. Includes Google AdWords, Yahoo Search Marketing and Microsoft AdCenter.

Search Engine Optimization: An activity that attempts to improve search engine rankings. Google displays links to pages it considers relevant and authoritative. Web pages have the potential to rank higher as long as other web pages link to them.

Search Engine Advertising: User-generated ads using key words to target the desired users in the right context. Ability to measure and optimize results as well as set budgets, avoid guesswork and advertiser pays only for results.

The Contractor's strategic approach to media planning and placement will complete after invoices are thoroughly reconciled and reviewed to guarantee the purchased media were delivered as planned. The Contractor's media and business offices will team up to verify immediate reconciliation and adjustment by media as necessary. The Contractor will use any under-delivery in placement as an opportunity to gain additional bonus spots.

Value-Added and Bonus Spots

The Contractor will maximize every dollar. In addition, the Contractor will drive down advertising costs.

The Contractor will negotiate value-added and bonus spots for TV and radio as well as free ride time on outdoor billboards.

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

The Contractor will follow the steps indicated under Section 1.2.E of this Contract.

- J. The Contractor must conduct post-buy analysis and audit placement of media. The audit should focus on the measure of effectiveness of media buys in terms of cost, reach, frequency, continuity, and message dispersion requirements, etc. The Contractor should use findings to refine current and future media plans.

Auditing

Using certified audits, contracted posting and airing schedules, and digital analytics, the Contractor will diligently match every contracted MVAA spot against detailed invoices. Every spot or impression will be entered into the Contractor's auditing system to confirm it ran at the correct time, location and at the agreed-upon rate. For print, tear sheets will be analyzed for accuracy and placement.



The Contractor's auditing system is based on a set of algorithms that include the following data sets:

Data Set 1: MVAA Campaign Goals based on placement strategy

Data Set 2: Issuance of RFP to media representatives. RFP outlines client, campaign objectives, flight dates, evaluation method, value-added and bonus spots, digital components and submission date.

Data Set 3: RFP response data.

Data Set 4: Evaluation of response data as it aligns with Arbitron, Nielsen, CPP, Scarborough, geographic and demographic reach and audience demographics.

Following analysis of the data sets, the Contractor will begin negotiating packages with selected media outlets for MVAA. The Contractor will require media outlets that under-delivered to provide make-good spots that align with initial placements for MVAA. The Contractor will work directly with top decision makers to expedite results and maximize value-added and bonus spots. The Contractor will negotiate to gain additional, no-cost spots as valued partners of numerous outlets throughout Michigan. In addition, each placement will be optimized for viewing time, number of impressions, cost per point, reach and frequency, click-throughs and click-through rates.

The Contractor will review all audits for MVAA to refine the current and future media buys and negotiate increased added value.

Reporting

Throughout the campaign, the Contractor will provide monthly audits for MVAA. The audits will include details pertinent to the contracted buy as it relates to the actual placement, including reach, frequency, GRPs, budget reconciliation, impressions, click-throughs and click-through rates. All media activities and audits will be presented to MVAA through detailed monthly, quarterly and annual reports delivered in a timely manner post placement.

2. Acceptance

2.1 Acceptance, Inspection and Testing

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

Before approving invoices for payment, the Program Manager will review deliverables and review invoices to verify costs are accurate. Contractor's invoices must include detailed information for the project.

The State will pay the Contractor for its costs incurred related to the Deliverables plus the commission based on the contract rates specified in Exhibit C. The State will reimburse the Contractor only for services and/or merchandise authorized by the State, approved by the program manager, and provided for in the purchase order.

Payment will not exceed the amount approved by authorized estimate without submission and approval of a revised estimate. All invoices must reflect actual work done. Invoice and payment specificity will be agreed upon between the State and the Contractor.

The following steps are taken by the Contractor to work within the guidelines of MVAA invoicing:

The Contractor will detail invoices for approved deliverables plus commission-based components. All invoice lines will be detailed by outlet and commission levels and approved prior to submission. The Contractor will bill only for authorized estimates and work completed.

3. Staffing

3.1 Contractor Representative

The Contractor must appoint an individual, specifically assigned to State of Michigan accounts, that will respond to State inquiries regarding the Contract Activities, answering questions related to ordering and delivery, etc. (the "Contractor Representative").



The Contractor must notify the Contract Administrator at least 30 calendar days before removing or assigning a new Contractor Representative.

Contractor’s Representative:

Angela Witwer
 517.853.6787
 angela@edgepartnerships.com.

3.2 Work Hours

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

3.3 Key Personnel

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

Contractor’s Key Personnel

Key Personnel Name	Title	Detailed Description of Role(s) and Responsibilities assigned for this Contract	Physical Location during Contract Performance (City, State)	Full-Time (FT) or Part-Time (PT) Employee
Lorri Rishar, MBA	CEO	Lead for marketing strategy Develop media plan Conduct market research Develop all messaging and strategies	Lansing, MI	FT
Angela Witwer	President	Serve as key contact and account manager. Manage work plan and day-to-day activities Media buying team lead Reporting Billing	Lansing, MI	FT
Aaron Pumfery	Chief Creative Officer	Art Director Creative Design of all programs. Director of all media productions.	Lansing, MI	FT
Danielle Lenz	Director of Public Relations and Social Media	Plan, direct and execute all social media and new media strategies.	Lansing, MI	FT
Sara Torrez	Marketing Assistant	Market Research Assistant Media Auditor	Lansing, MI	.75 time



B. The State has the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, introduce the individual to the State's Project Manager, and provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. The State may require a 30-calendar day training period for replacement personnel.

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

It is further acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of this Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under Termination for Cause, Contractor will issue to the State the corresponding credits set forth below (each, an "Unauthorized Removal Credit"):

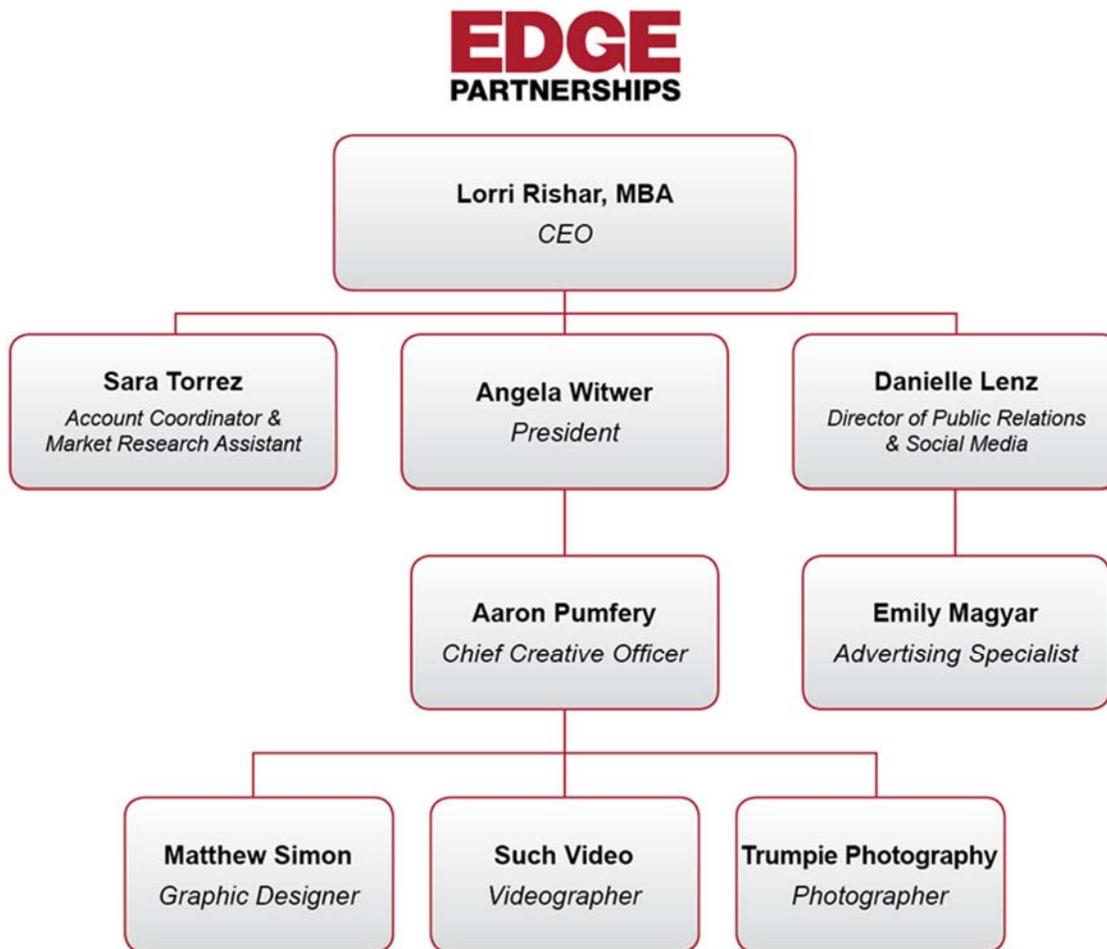
(i) For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the credit amount will be \$10,000.00 per individual if Contractor identifies a replacement approved by the State and assigns the replacement to shadow the Key Personnel who is leaving for a period of at least 30 calendar days before the Key Personnel's removal.

(ii) If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 calendar days, in addition to the \$10,000.00 credit specified above, Contractor will credit the State \$333.33 per calendar day for each day of the 30 calendar-day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$10,000.00 maximum per individual. The total Unauthorized Removal Credits that may be assessed per Unauthorized Removal and failure to provide 30 calendar days of shadowing will not exceed \$10,000.00 per individual.

D. Contractor acknowledges and agrees that each of the Unauthorized Removal Credits assessed above: (i) is a reasonable estimate of and compensation for the anticipated or actual harm to the State that may arise from the Unauthorized Removal, which would be impossible or very difficult to accurately estimate; and (ii) may, at the State's option, be credited or set off against any fees or other charges payable to Contractor under this Contract.



3.4 Organizational Chart



3.5 Disclosure of Subcontractors

Throughout the contract term, if the Contractor intends to utilize subcontractors, the Contractor must disclose the following for each:

- A. The legal business name; address; telephone number; a description of subcontractor's organization and the services it will provide; and information concerning subcontractor's ability to provide the Contract Activities.
- B. The relationship of the subcontractor to the Contractor, including whether the Contractor has a previous working experience with the subcontractor. If yes, provide the details of that previous relationship.
- C. A complete description of the Contract Activities that will be performed or provided by the subcontractor.
- D. Of the total bid, the price of the subcontractor's work.

Subcontractors:

1. Such Video
111 East Grand River Ave.
Lansing, MI 48906
517.484.0800



Such Video will assist in the production of video content for the MVAA. Such Video will shoot and complete edit and post work on any video needed for this Contract. They will also upload the video onto Extreme Reach or FTP for distribution.

2. Trumpie Photography
11613 Upton Road
Grand Ledge, MI 48837
517.622.1822

A full-service photographer specializing in public relations and editorial photography. Trumpie Photography will produce license-free original images for all media concepts. Trumpie Photography will coordinate all digital still images for use in advertising creatives. They will deliver all images within 48 hours for creative concepting.

4. Project Management

Projects will be initiated using the following procedure:

1. Within 2 weeks of signing the contract, the Contractor must meet with the MVAA Program Manager for direction and to discuss the overall annual plan and specifics of each project to be undertaken within the budgeted amount. The Contractor must prepare an outline of activities, timelines and deliverables based on a budget.
2. For most creative work, the Contractor is required to prepare at least three creative concepts which MVAA reviews. One concept is taken to final art or script, which is generally routed for review and comment through necessary staff. Once changes are made and reviewed, the concept will receive final approval from MVAA to move forward. The Contractor is required to prepare Media Plans annually for all individual media campaigns. Once these Media Plans are reviewed and approved by MVAA, the Contractor will proceed with developing individual Media Buys based on the Media Plans. The Contractor is required to submit these Media Buys to MVAA for review and approval. The Contractor must prepare an outline of activities, timelines and deliverables based for the Contractor's key personnel.
3. The Contractor shall not begin any work on any project before MVAA has given formal approval and a work/expense authorization/purchase order has been issued and signed by the Program Manager.
4. The Contractor must confer with the MVAA to initiate services, requests, review materials, review progress, discuss problems, obtain advice and counsel, etc.
5. Upon failure to meet a predetermined deadline, the Contractor must provide an explanation for such failure as soon as it is known and submit an updated project schedule to the MVAA.

The Contractor will work with MVAA to schedule the initial meeting immediately. The draft work plan will be delivered at that working meeting by the Contractor. The Contractor and MVAA will review and adjust all deadlines and budgets for a final, approved work plan.

1. Creative and Media Development Process. Immediately following the initial work plan and project planning meeting, the Contractor's creative designers and media buyers will work concurrently. The Contractor's creative team will produce three creative concepts for MVAA to review. The Contractor will schedule a meeting with MVAA for review, and decision making on one concept will occur during this meeting. The Contractor will then edit concept for final art and/or script. During this meeting, the Contractor's media team will deliver the draft media plan for review and approval along with the final approved work plan.
2. Creative and Media Presentation and Final Approval. The Contractor will schedule a meeting with MVAA either in person or electronically to receive final approval on both creative and media plan.
3. Media Placement. After final approval, the Contractor's media team will negotiate and place the media buys.



4. Meetings and Ongoing Approvals. The Contractor will continue to schedule weekly update meetings and ongoing communication between the department for purchase orders and formal approval process.

The Contractor will perform a formal internal review process that consists of three Contractor leadership team members who will review and sign off prior to MVAA Program Manager review for final sign off. The Contractor will provide ongoing, effective communication to MVAA.

4.1 Project Plan

The project plan must include required contact personnel; project management process; project breakdown identifying sub-projects, tasks, and resources required; expected frequency and mechanisms for updates/progress reviews; process for addressing issues/changes; and individuals responsible for receiving/reacting to the requested information.

The Contractor will carry out this project under the direction and control of the Program Manager. Within 10 calendar days after the initial overall planning meeting, the Contractor must submit a final project plan to the Program Manager for approval. The Contractor must prepare an outline of activities, timelines and deliverables based on the budget.

The plan must include: (a) the Contractor's organizational chart with names and title of personnel assigned to the project, which must align with the staffing stated in accepted proposals; and (b) the project breakdown showing sub-projects, tasks, and resources required.

The Contractor will discuss all plan aspects directly with the Program Manager in order to anticipate options for actions and update the project plan.



Draft Project Plan

MVAAs Advertising and Creative Services			Project Work Plan												
Preliminary Outline of Activities, Timelines and Deliverables Based on Budget															
TASK	DELIVERABLE	RESPONSIBLE PARTY	Month												
			September			October				November			Dec-Aug		
			14	21	28	5	12	19	26	2	9	16	23		
1 Launch															
1.1	Intake meeting with MVAAs program manager	Team													
1.2	Confirm deliverables and timing	Angela Wtver													
1.3	Gain access to secondary information	Lori Fishar													
1.4	Review process and decision making	Team													
1.5	Review work plan with MVAAs team	Team													
1.6	Submit revised work plan for final client approval	Angela Wtver													
2 Research															
2.1	Agency to review MVAAs existing data	Lori Fishar													
2.2	Agency conducts any necessary secondary research/focus group	Lori Fishar													
3 Campaign Creative Development: Concept															
3.1	Agency develops creative brief with three creative concepts	Aaron Pumfery													
3.2	Agency presents creatives to MVAAs	Team													
3.3	MVAAs selects and approves single concept	MVAAs													
3.4	Agency refines selected creative concepts for all campaign elements	Aaron Pumfery													
3.5	MVAAs approves final creative concept	MVAAs													
4 Campaign Creative Development: Campaign Materials															
4.1	Development of all campaign materials (TV, radio, print, outdoor, dig)	Aaron Pumfery													
4.2	Agency presents all creative materials to MVAAs	Team													
4.3	MVAAs feedback on all materials	MVAAs													
4.4	Refine creative materials based on feedback	Aaron Pumfery													
4.5	Final MVAAs approval on all creative materials	MVAAs													
4.6	Casting, pre-production, proofreading	Aaron Pumfery													
4.7	TV, radio, outdoor and online production	Aaron Pumfery													
4.8	MVAAs approval of final creatives	MVAAs													
4.9	Production ready creative materials trafficked to appropriate outlets	Aaron Pumfery													
5 Media Development															
5.1	Agency develops detailed media plan	Angela Wtver													
5.2	Agency presents media plan to client	Angela Wtver													
5.3	MVAAs approves media plan	MVAAs													
5.4	Agency negotiates media including value added	Angela Wtver													
5.5	Agency presents scheduled media buy to MVAAs for approval	Angela Wtver													
5.6	MVAAs approves scheduled media buy	Angela Wtver													
5.7	Agency places media	Angela Wtver													
6 Media Invoicing, Auditing, Reporting															
6.1	Agency receives weekly affidavits and matches/audits	Angela Wtver													
6.2	Agency negotiates make-goods	Angela Wtver													
6.3	Agency weights make-goods	Angela Wtver													
6.4	Agency provides monthly and final recap report	Angela Wtver													
7 Reporting/Meeting															
7.1	Weekly status meetings/reports on all activities with MVAAs	Angela Wtver													

4.2 Meetings

The Contractor must participate in the following meetings preferably in person or by phone or web when arranged and agreed to in advance with the State with no less than 48 hours notice.

The Contractor will be required to attend a one hour, bi-weekly meeting with the State until eight weeks prior to the expected start of a campaign flight when the frequency will change from bi-weekly to weekly meeting.

Meetings will be held at the MVAAs main office, 222 N. Washington Square, 5th floor, Lansing Michigan 48933 unless other arrangements are made with the Contractor.

The Contractor will provide a written comprehensive list of topics for discussion to include in the meeting agenda, one business day before scheduled meetings. The Contractor will be required to produce written notes/minutes from each meeting to include action items, note any proposed changes to previously agreed upon deadlines by the Contractor must be requested in writing to the State Program Manager and will be approved in writing by the State Program Manager within one business day after the proposed request.

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

- The Contractor will not charge for calls or meetings.
- The Contractor will work with MVAAs on a weekly basis.
- The Contractor will accommodate a face-to-face or teleconference weekly with drop-in phone conferences at any time necessary.
- The Contractor will enforce an “open door” policy with MVAAs.



4.3 Reporting

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

1. The Contractor must provide bi-weekly meeting reports (prepared and submitted within three working days of all meetings).
2. The Contractor must report on the efficiency and effectiveness of all marketing, promotion, and campaigns/projects against the goals and objectives established for the campaign/project consistently during the campaigns' duration.
3. The Contractor must provide weekly updates on the progress of the contract, monthly reach reports and quarterly metric reports as defined by MVAA.
4. The Contractor must provide periodic status report/presentations as requested by DMVA, MVAA Program Manager.
5. No later than two weeks prior to a media buy, the Contractor shall provide copies of the negotiated buy, including a summary, contract buy and added value, to the DMVA, MVAA Program Manager so it can be shared with appropriate program staff.
6. No later than two months following the end of each media buy, the Contractor must prepare a final summary showing the amounts ordered and actually paid per station, publication or outdoor company. These summaries should be compiled by target group, by medium, by market, and showing a grand total. No-charge bonus or bonuses, or PSA schedules must also be summarized quarterly in the same way.
7. No later than two months following the end of each media buy, the Contractor must submit post analysis reports which compare schedule estimates against actual spot rotation deliveries.
8. No later than two months following the end of each media buy, the Contractor must submit evaluation reports with supporting data, describing how the media buy accomplished the intended goals of the buy.

5. Ordering

5.1 Authorizing Document

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

6. Invoice and Payment

6.1 Invoice Requirements

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

6.2 Payment Methods

The State will make payment for Contract Activities through EFT.

6.3 Procedure

Media placement commission is to be billed the month following the campaigns completion.



**EXHIBIT B
RESERVED**



**EXHIBIT C
PRICING**

1. Pricing includes all costs, including but not limited to, any one-time or set-up charges, fees, and potential costs that Contractor may charge the State (e.g., shipping and handling, per piece pricing, and palletizing).
2. Quick payment terms. The number of days does not include processing time for payment to be received by the Contractor's financial institution.

Contractor Quick Payment Terms:

2NET15 on \$59,200.00 (includes all Contractor services and media commission).
The remaining \$35,000 are fees through subcontractors for production costs and are excluded from Quick Payment Terms.

NOTE: Prompt payment discount applies to agency fees and hourly rates only.

3. The Contractor shall invoice for the commission rate agreed upon below and the actual cost of the placed media within 30 days of the completed placement.

All contract activities must remain within the estimated 1-Year budget of \$785,000 including the Agency fee.

Commission Based Pricing Structure:

1. Agency Fee

- A commission, shown as a percentage, will be used to compensate the Contractor. The fee will compensate the Contractor for all management services related to the project, including creative design, account services, limited public relations and media services.
- All other costs must be paid for at cost and in agreement with the approved plan. The State will not accept fees or commissions from subcontractors and suppliers (must be at a non-commissioned rate, no mark-up), or any pass-through billing of invoices for which the Contractor exclusively processes payment of the invoices
- The State can only commit funds in the fiscal year they are available; commitment of funds for future fiscal years is contingent upon legislative appropriation.

2. Pricing

The Contractor is paid per campaign, not as a flat percentage of the total annual budget estimate. In practice, when the agency is given a campaign budget they must subtract their agency fee from the top, the remaining portion is the amount available for all advertising services and costs related to the campaign.

Campaign Budget – Agency Fee % = Remaining Amount for Advertising Services
(\$785,000.00 - \$94,200.00 = \$690,800.00)

The State shall not reimburse the Contractor for mark-up of any costs incurred for services and/or merchandise authorized by DMVA, MVAA as evidenced by an approved expense authorization. Payment shall not exceed the amount approved by authorization without submission and approval of a revised estimate.



The State shall reimburse the Contractor only for services and/or merchandise authorized by the State as evidenced by an expense authorization approved by the DMVA, MVAA Program Manager or their authorized representative. Payment shall not exceed the amount approved by authorized estimate without submission and approval of a revised estimate.

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

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

Contractor's Agency Fee: 12%



STANDARD CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and Edge Partnerships (“**Contractor**”), a Michigan corporation. This Contract is effective on September 15, 2015 (“**Effective Date**”), and unless terminated, expires on September 14, 2016.

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

The parties agree as follows:

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

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

Contractor must: (a) perform the Contract Activities in a timely, professional, safe, and workmanlike manner consistent with standards in the trade, profession, or industry; (b) meet or exceed the performance and operational standards, and specifications of the Contract; (c) provide all Contract Activities in good quality, with no material defects; (d) not interfere with the State’s operations; (e) obtain and maintain all necessary licenses, permits or other authorizations necessary for the performance of the Contract; (f) cooperate with the State, including the State’s quality assurance personnel, and any third party to achieve the objectives of the Contract; (g) return to the State any State-furnished equipment or other resources in the same condition as when provided when no longer required for the Contract; (h) not make any media releases without prior written authorization from the State; (i) assign to the State any claims resulting from state or federal antitrust violations to the extent that those violations concern materials or services supplied by third parties toward fulfillment of the Contract; (j) comply with all State physical and IT security policies and standards which will be made available upon request; and (k) provide the State priority in performance of the Contract except as mandated by federal disaster response requirements. Any breach under this paragraph is considered a material breach.

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

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

If to State:	If to Contractor:
Mary Ostrowski 525 W Allegan St., 1 st Flr NE Lansing MI 48909 ostrowskim@michigan.gov 517-284-7021	Lorri Rishar, CEO 117 E. Kalamazoo St. Lansing, MI 48933 lorri@edgepartnerships.com 517-853-6787



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

State:	Contractor:
Mary Ostrowski 525 W Allegan St., 1 st Flr NE Lansing MI 48909 ostrowskim@michigan.gov 517-284-7021	Lorri Rishar, CEO 117 E. Kalamazoo St. Lansing, MI 48933 lorri@edgepartnerships.com 517-853-6787

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

State:	Contractor:
Suzanne Thelen 222 Washington Square North Lansing MI 48933 ThelenS3@michigan.gov 517-284-5208	Angela Witwer, President 117 E. Kalamazoo St. Lansing, MI 48933 angela@edgepartnerships.com 517-853-6787

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

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

Insurance Type	Additional Requirements
Commercial General Liability Insurance	
<u>Minimal Limits:</u> \$1,000,000 Each Occurrence Limit \$1,000,000 Personal & Advertising Injury Limit \$2,000,000 General Aggregate Limit \$2,000,000 Products/Completed Operations <u>Deductible Maximum:</u> \$50,000 Each Occurrence	Contractor must have their policy endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 0.
Automobile Liability Insurance	
<u>Minimal Limits:</u> \$1,000,000 Per Occurrence	
Workers' Compensation Insurance	
<u>Minimal Limits:</u> Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
Employers Liability Insurance	



<p><u>Minimal Limits:</u> \$500,000 Each Accident \$500,000 Each Employee by Disease \$500,000 Aggregate Disease.</p>	
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If any of the required policies provide **claim-made** coverage, the Contractor must: (a) provide coverage with a retroactive date before the effective date of the contract or the beginning of Contract Activities; (b) maintain coverage and provide evidence of coverage for at least three (3) years after completion of the Contract Activities; and (c) if coverage is canceled or not renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, Contractor must purchase extended reporting coverage for a minimum of three (3) years after completion of work.

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

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

- 7. **Reserved**
- 8. **Reserved**
- 9. **Independent Contractor.** Contractor is an independent contractor and assumes all rights, obligations and liabilities set forth in this Contract. Contractor, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Contract. Contractor, and not the State, is responsible for the payment of wages, benefits and taxes of Contractor's employees and any subcontractors. Prior performance does not modify Contractor's status as an independent contractor. Contractor hereby acknowledges that the State is and will be the sole and exclusive owner of all right, title, and interest in the Contract Activities and all associated intellectual property rights, if any. Such Contract Activities are works made for hire as defined in Section 101 of the Copyright Act of 1976. To the extent any Contract Activities and related intellectual property do not qualify as works made for hire under the Copyright Act, Contractor will, and hereby does, immediately on its creation, assign, transfer and otherwise convey to the State, irrevocably and in perpetuity, throughout the universe, all right, title and interest in and to the Contract Activities, including all intellectual property rights therein.
- 10. **Subcontracting.** Contractor may not delegate any of its obligations under the Contract without the prior written approval of the State. Contractor must notify the State at least 90 calendar days before the proposed delegation, and provide the State any information it requests to determine whether the delegation is in its best interest. If approved, Contractor must: (a) be the sole point of contact regarding all contractual matters, including payment and charges for all Contract Activities; (b) make all payments to the subcontractor; and (c) incorporate the terms and conditions contained in this Contract in any subcontract with a subcontractor. Contractor remains responsible for the completion of the Contract Activities, compliance with the terms of this Contract, and the acts and omissions of the subcontractor. The State, in its sole discretion, may require the replacement of any subcontractor.



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

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

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

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

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



17. **Delivery** Contractor must deliver all Contract Activities F.O.B. destination, within the State premises with transportation and handling charges paid by Contractor, unless otherwise specified in Exhibit A. All containers and packaging becomes the State's exclusive property upon acceptance.
18. **Risk of Loss and Title** Until final acceptance, title and risk of loss or damage to Contract Activities remains with Contractor. Contractor is responsible for filing, processing, and collecting all damage claims. The State will record and report to Contractor any evidence of visible damage. If the State rejects the Contract Activities, Contractor must remove them from the premises within 10 calendar days after notification of rejection. The risk of loss of rejected or non-conforming Contract Activities remains with Contractor. Rejected Contract Activities not removed by Contractor within 10 calendar days will be deemed abandoned by Contractor, and the State will have the right to dispose of it as its own property. Contractor must reimburse the State for costs and expenses incurred in storing or effecting removal or disposition of rejected Contract Activities.
19. **Warranty Period** The warranty period, if applicable, for Contract Activities is a fixed period commencing on the date specified in Exhibit A. If the Contract Activities do not function as warranted during the warranty period the State may return such non-conforming Contract Activities to the Contractor for a full refund.
20. **Terms of Payment.** Invoices must conform to the requirements communicated from time-to-time by the State. All undisputed amounts are payable within 45 days of the State's receipt. Contractor may only charge for Contract Activities performed as specified in Exhibit A. Invoices must include an itemized statement of all charges. The State is exempt from State sales tax for direct purchases and may be exempt from federal excise tax, if Services purchased under this Agreement are for the State's exclusive use. Notwithstanding the foregoing, all prices are inclusive of taxes, and Contractor is responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by the State under this Contract.

The State has the right to withhold payment of any disputed amounts until the parties agree as to the validity of the disputed amount. The State will notify Contractor of any dispute within a reasonable time. Payment by the State will not constitute a waiver of any rights as to Contractor's continuing obligations, including claims for deficiencies or substandard Contract Activities. Contractor's acceptance of final payment by the State constitutes a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still disputed.

The State will only disburse payments under this Contract through Electronic Funds Transfer (EFT). Contractor must register with the State at <http://www.michigan.gov/cpexpress> to receive electronic fund transfer payments. If Contractor does not register, the State is not liable for failure to provide payment. Without prejudice to any other right or remedy it may have, the State reserves the right to set off at any time any amount then due and owing to it by Contractor against any amount payable by the State to Contractor under this Contract.

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



breach within the time stated in a notice of breach. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

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

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

24. **Termination for Convenience.** The State may immediately terminate this Contract in whole or in part without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance of the Contract Activities immediately, or (b) continue to perform the Contract Activities in accordance with Section 25, Transition Responsibilities. If the State terminates this Contract for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities.
25. **Transition Responsibilities.** Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 90 calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.
26. **General Indemnification.** Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to: (a) any breach by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract; (b) any infringement, misappropriation, or other violation of any intellectual property right or other right of any third party; (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and (d) any acts or omissions of Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

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



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

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

27. **Infringement Remedies.** If, in either party's opinion, any piece of equipment, software, commodity, or service supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment, software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.
28. **Limitation of Liability.** The State is not liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.
29. **Disclosure of Litigation, or Other Proceeding.** Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor, that arises during the term of the Contract, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or (2) a governmental or public entity's claim or written allegation of fraud; or (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract.
30. **State Data.** All data and information provided to Contractor by or on behalf of the State, and all data and information derived therefrom, is the exclusive property of the State ("**State Data**"); this definition is to be construed as broadly as possible. Upon request, Contractor must provide to the State, or a third party designated by the State, all State Data within 10 calendar days of the request and in the format requested by the State. Contractor will assume all costs incurred in compiling and supplying State Data. No State Data may be used for any marketing purposes.
31. **Reserved**
32. **Non-Disclosure of Confidential Information.** The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties. The provisions of this Section survive the termination of this Contract.
1. Meaning of Confidential Information. For the purposes of this Contract, the term "**Confidential Information**" means all information and documentation of a party that: (a) has been marked "confidential" or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked "confidential" or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked "confidential" or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term "Confidential Information" does not include any information or documentation that was: (a) subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the



receiving party, as demonstrated by the receiving party, without violating the disclosing party's proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). For purposes of this Contract, in all cases and for all matters, State Data is deemed to be Confidential Information.

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 this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to a subcontractor is permissible where: (a) use of a subcontractor is authorized under this Contract; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the subcontractor's responsibilities; and (c) Contractor obligates the subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor or any subcontractor may be required to execute a separate agreement to be bound by the provisions of this Section.
3. Cooperation to Prevent Disclosure of Confidential Information. Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.
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 this Contract or any Statement of Work corresponding to the breach or threatened breach.
5. Surrender of Confidential Information upon Termination. Upon termination of this Contract or a Statement of Work, in whole or in part, each party must, within 5 calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Contract. Should Contractor or the State determine that the return of any non-State Data Confidential Information is not feasible, such party must destroy the non-State Data Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party.

33. **Reserved**

34. **Reserved**

35. **Reserved**

36. **Records Maintenance, Inspection, Examination, and Audit.** The State or its designee may audit Contractor to verify compliance with this Contract. Contractor must retain, and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to the Contract through the term of the Contract and for 4 years after the latter of termination, expiration, or final



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

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

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

37. **Warranties and Representations.** Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (c) the Contract Activities will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) Contractor must assign or otherwise transfer to the State or its designee any manufacturer's warranty for the Contract Activities; (e) the Contract Activities are merchantable and fit for the specific purposes identified in the Contract; (f) the Contract signatory has the authority to enter into this Contract; (g) all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information, and Contractor will inform the State of any material adverse changes; and (h) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under Section 23, Termination for Cause.
38. **Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.
39. **Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations.
40. **Reserved**
41. **Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or mental or physical disability. Breach of this covenant is a material breach of this Contract.
42. **Unfair Labor Practice.** Under MCL 423.324, the State may void any Contract with a Contractor or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.
43. **Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed



by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in Michigan Court of Claims. Contractor consents to venue in Ingham County, and waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint agents in Michigan to receive service of process.

44. **Non-Exclusivity.** Nothing contained in this Contract is intended nor will be construed as creating any requirements contract with Contractor. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Contract Activities from other sources.
45. **Force Majeure.** Neither party will be in breach of this Contract because of any failure arising from any disaster or acts of god that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Contractor will not be relieved of a breach or delay caused by its subcontractors. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.
46. **Dispute Resolution.** The parties will endeavor to resolve any Contract dispute in accordance with this provision. The dispute will be referred to the parties' respective Contract Administrators or Program Managers. Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute to a senior executive if unable to resolve the dispute within 15 business days. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.

Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' senior executive and either concludes that resolution is unlikely, or fails to respond within 15 business days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This Section does not limit the State's right to terminate the Contract.
47. **Media Releases.** News releases (including promotional literature and commercial advertisements) pertaining to the Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions of the State.
48. **Website Incorporation.** The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.
49. **Order of Precedence.** In the event of a conflict between the terms and conditions of the Contract, the exhibits, a purchase order, or an amendment, the order of precedence is: (a) the purchase order; (b) the amendment; (c) Exhibit A; (d) any other exhibits; and (e) the Contract.
50. **Severability.** If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.
51. **Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
52. **Survival.** The provisions of this Contract that impose continuing obligations, including warranties and representations, termination, transition, insurance coverage, indemnification, and confidentiality, will survive the expiration or termination of this Contract.
53. **Entire Contract and Modification.** This Contract is the entire agreement and replaces all previous agreements between the parties for the Contract Activities. This Contract may not be amended except by signed agreement between the parties (a "**Contract Change Notice**").