

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
 PROCUREMENT

525 W. ALLEGAN STREET
 LANSING, MI 48933

P.O. BOX 30026
 LANSING, MI 48909

NOTICE OF CONTRACT NO. 071B6600046

between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Westat, Inc. 1600 Research Blvd. Rockville, MD 20850	Mark Freedman	markfreedman@westat.com
	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
	301-294-2857	9566

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DHHS	Nancy Rostoni	517-388-3910	rostonin@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Jillian Yeates	517-284-7019	yeatesj@michigan.gov

CONTRACT SUMMARY

DESCRIPTION:

Third Party Evaluator for Performance Based Child Welfare System

INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
5 Years	February 22, 2016	February 28, 2021	2 one-year
PAYMENT TERMS	F.O.B.	SHIPPED TO	
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

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #007116B0006457. Orders for delivery will be issued directly by Departments through the issuance of a Purchase Order Form

ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION	\$2,656,180.00
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For the Contractor:

Mark Freedman,
Contract Administrator
Westat, Inc.

Date

For the State:

Tom Falik,
Services Division Director
State of Michigan

Date



STATE OF MICHIGAN

STANDARD CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and Westat (“**Contractor**”), a Delaware Corporation. This Contract is effective on February 22, 2016 (“**Effective Date**”), and unless terminated, expires on February 28, 2021.

This Contract may be renewed for up to 2 additional 1 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:
Jillian Yeates 525 W. Allegan St. 1st FLR NE P.O. Box 30026 Lansing, MI 48909 yeatesj@michigan.gov 517-284-7019	Mark Freedman, Vice President 1600 Research Blvd., Room RW2570 Rockville, MD 20850-3129 markfreedman@westat.com 301-294-2857

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

State:	Contractor:
Jillian Yeates 525 W. Allegan St. 1st FLR NE P.O. Box 30026 Lansing, MI 48909 yeatesj@michigan.gov 517-284-7019	Mark Freedman, Vice President 1600 Research Blvd. Rockville, MD 20850 markfreedman@westat.com 301-294-2857

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:
Nancy Rostoni, Manager Performance Based Child Welfare 235 S. Grand Avenue Lansing, MI 48933 RostoniN@michigan.gov 517-388-3910	Jane Mettenburg, Evaluation Project Director 1600 Research Blvd., Room RW2524 Rockville, MD 20850-3129 janemettenburg@westat.com 301-517-8012

5. **Performance Guarantee.** Contractor must at all times have financial resources sufficient, in the opinion of the State, to ensure performance of the Contract and must

provide proof upon request. The State may require a performance bond (as specified in Exhibit A) if, in the opinion of the State, it will ensure performance of the Contract.

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

Required Limits	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	Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds; and (2) include Hired and Non-Owned Automobile coverage.
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	
<u>Minimal Limits:</u> \$500,000 Each Accident \$500,000 Each Employee by Disease \$500,000 Aggregate Disease.	
Privacy and Security Liability (Cyber Liability) Insurance	

<u>Minimal Limits:</u> \$1,000,000 Each Occurrence \$1,000,000 Annual Aggregate	Contractor must have their policy: (1) endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds; and (2) cover information security and privacy liability, privacy notification costs, regulatory defense and penalties, and website media content liability.
Professional Liability (Errors and Omissions) Insurance	
<u>Minimal Limits:</u> \$3,000,000 Each Occurrence \$3,000,000 Annual Aggregate <u>Deductible Maximum:</u> \$50,000 Per Loss	

If any of the required policies provide **claims-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 and provide all necessary documentation and signatures.
- 14. Change of Control.** Contractor will notify, at least 90 calendar days before the effective date, the State of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the

following: (a) a sale of more than 50% of Contractor's stock; (b) a sale of substantially all of Contractor's assets; (c) a change in a majority of Contractor's board members; (d) consummation of a merger or consolidation of Contractor with any other entity; (e) a change in ownership through a transaction or series of transactions; (f) or the board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.

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

15. Ordering. Contractor is not authorized to begin performance until receipt of authorization as identified in Exhibit A.

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

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

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

17. Reserved.

18. Reserved.

19. Reserved.

20. Terms of Payment. Invoices must conform to the requirements communicated from time-to-time by the State. All undisputed amounts are payable within 45 days of the

State's receipt. Contractor may only charge for Contract Activities performed as specified in Exhibit A. Invoices must include an itemized statement of all charges. The State is exempt from State sales tax for direct purchases and may be exempt from federal excise tax, if Services purchased under this Agreement are for the State's exclusive use. Notwithstanding the foregoing, all prices are inclusive of taxes, and Contractor is responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by the State under this Contract.

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

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

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

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

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

24. Termination for Convenience. The State may immediately terminate this Contract in whole or in part without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance of the Contract Activities immediately, or (b) continue to perform the Contract Activities in accordance with Section 25, Transition Responsibilities. If the State terminates this Contract for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities.

25. Transition Responsibilities. Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 30 calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.

26. General Indemnification. Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses,

liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to: (a) any breach by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract; (b) any infringement, misappropriation, or other violation of any intellectual property right or other right of any third party; (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and (d) any acts or omissions of Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

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

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

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

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

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

29. Disclosure of Litigation, or Other Proceeding. Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") involving Contractor, a subcontractor,

or an officer or director of Contractor or subcontractor, that arises during the term of the Contract, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or (2) a governmental or public entity's claim or written allegation of fraud; or (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract.

30. Reserved.

31. State Data.

- a. Ownership. The State's data ("**State Data**," which will be treated by Contractor as Confidential Information) includes: (a) the State's data collected, used, processed, stored, or generated as the result of the Contract Activities; (b) personally identifiable information ("**PII**") collected, used, processed, stored, or generated as the result of the Contract Activities, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements here listed; and, (c) personal health information ("**PHI**") collected, used, processed, stored, or generated as the result of the Contract Activities, which is defined under the Health Insurance Portability and Accountability Act (HIPAA) and its related rules and regulations. State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State. This Section survives the termination of this Contract.
- b. Contractor Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Contract Activities, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Contract Activities. Contractor must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Contract Activities, such use and disclosure being in accordance with this Contract, any applicable Statement of Work, and applicable law; and (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor's own purposes or for the benefit of anyone other than the State without the State's prior written consent. This Section survives the termination of this Contract.
- c. Extraction of State Data. Contractor must, within five (5) business days of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Contractor), an extract of the State Data in the format specified by the State.

- d. Backup and Recovery of State Data. Unless otherwise specified in Exhibit A, Contractor is responsible for maintaining a backup of State Data and for an orderly and timely recovery of such data. Unless otherwise described in Exhibit A, Contractor must maintain a contemporaneous backup of State Data that can be recovered within two (2) hours at any point in time.

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

32. Non-Disclosure of Confidential Information. The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is

confidential, privileged communication not intended to be disclosed to third parties. The provisions of this Section survive the termination of this Contract.

- a. Meaning of Confidential Information. For the purposes of this Contract, the term “**Confidential Information**” means all information and documentation of a party that: (a) has been marked “confidential” or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked “confidential” or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked “confidential” or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term “Confidential Information” does not include any information or documentation that was: (a) subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party’s proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). For purposes of this Contract, in all cases and for all matters, State Data is deemed to be Confidential Information.
- b. Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to a subcontractor is permissible where: (a) use of a subcontractor is authorized under this Contract; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the subcontractor’s responsibilities; and (c) Contractor obligates the subcontractor in a written contract to maintain the State’s Confidential Information in confidence. At the State’s request, any employee of Contractor or any subcontractor may be required to execute a separate agreement to be bound by the provisions of this Section.
- c. Cooperation to Prevent Disclosure of Confidential Information. Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.

- d. Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Contract or any Statement of Work corresponding to the breach or threatened breach.
- e. Surrender of Confidential Information upon Termination. Upon termination of this Contract or a Statement of Work, in whole or in part, each party must, within 5 calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Contract. Should Contractor or the State determine that the return of any Confidential Information is not feasible, such party must destroy the Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party.

33. Data Privacy and Information Security.

- a. Undertaking by Contractor. Without limiting Contractor's obligation of confidentiality as further described, Contractor is responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of the State Data; (b) protect against any anticipated threats or hazards to the security or integrity of the State Data; (c) protect against unauthorized disclosure, access to, or use of the State Data; (d) ensure the proper disposal of State Data; and (e) ensure that all employees, agents, and subcontractors of Contractor, if any, comply with all of the foregoing. In no case will the safeguards of Contractor's data privacy and information security program be less stringent than the safeguards used by the State, and Contractor must at all times comply with all applicable State IT policies and standards, which are available to Contractor upon request.
- b. Audit by Contractor. No less than annually, Contractor must conduct a comprehensive audit of its data privacy and information security program and provide such audit findings to the State. Subcontractor must provide a statement on the audit results annually.
- c. Right of Audit by the State. Without limiting any other audit rights of the State, the State has the right to review Contractor's data privacy and information security program prior to the commencement of Contract Activities and from time to time during the term of this Contract. During the providing of the Contract Activities, on an ongoing basis from time to time and without notice,

the State, at its own expense, is entitled to perform, or to have performed, an on-site audit of Contractor's data privacy and information security program. In lieu of an on-site audit, upon request by the State, Contractor agrees to complete, within 45 calendar days of receipt, an audit questionnaire provided by the State regarding Contractor's data privacy and information security program.

- d. Audit Findings. Contractor must implement any required safeguards as identified by the State or by any audit of Contractor's data privacy and information security program.
- e. State's Right to Termination for Deficiencies. The State reserves the right, at its sole election, to immediately terminate this Contract or a Statement of Work without limitation and without liability if the State determines that Contractor fails or has failed to meet its obligations under this Section.

34. Reserved.

35. Reserved.

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

STATE OF MICHIGAN

Contract No. 071B6600046

Third Party Evaluator for Performance-Based Child Welfare System for the
Michigan Department of Health and Human Services

EXHIBIT A STATEMENT OF WORK

I. PROJECT REQUEST

This is a Contract is for an independent Third Party Evaluator to conduct a rigorous, comprehensive evaluation of the Michigan Department of Health and Human Services (DHHS) Performance- Based Child Welfare System (PBCWS) project for children in out-of-home foster care. The Contractor must be an independent organization that is not affiliated with state or local government, except that state universities may be engaged to conduct the evaluation.

II. BACKGROUND

The Michigan Legislature through Public Act 59 of 2013, Section 503 (4), (5), convened a Task Force to determine the feasibility of establishing performance-based funding for all public and private child welfare service providers. The child welfare private network is currently comprised of more than 125 foster care placement agencies and child caring institutions. All foster care agencies are paid a fixed rate, while child caring institutions' rates vary depending on the provider and the particular program. The private network is responsible for all adoption services in the child welfare system and oversees about 45% of the children in foster care. DHHS is the public agency responsible for the remainder of the children in foster care.

Michigan's PBCWS will financially incentivize achievement of identified outcomes related to children placed in foster care. A pilot PBCWS project will initially be conducted in Kent County ("Pilot"). Additional PBCWS pilots may be considered in the future.

In the fall of 2013, DHHS convened a Child Welfare Performance-Based Funding (CWPBF) Task Force that included representatives from DHHS, private child placing agencies, private child caring institutions, and Michigan courts and county administrations. To determine the feasibility of such a performance-based model, the CWPBF Task Force and corresponding workgroups examined the following: prior attempts at similar models in Michigan and other states across the nation; the definition of the intended population subject to the model; a desired process-of-care to be used in the model; current and potential models, as well as any barriers encountered; and a set of outcome goals and indicators that would be used to determine success of service delivery. The CWPBF Task Force issued a final report and findings (see Attachment A1) to DHHS and Michigan Legislature in February 2014, which asserted that a performance-based funding model was feasible for successful implementation in a phased, integrated approach.

The model for performance-based funding envisioned by CWPBF Task Force would:

1. Adhere to the State's guiding principles in performing all child welfare practice.
The indicator for readiness in this regard is that all public and private providers within a selected geographic area are determined to have completed at least initial implementation of the State's enhanced Michigan Teaming, Engagement, Assessment and Mentoring (MiTEAM) Practice Model and Continuous Quality Improvement (CQI) activities (see Attachment A2).
2. Operate according to the defined process-of-care model for full case management and service delivery for out-of-home foster care cases (children and families).
Strict random assignment methodology will be used to determine out-of-home case assignment to DHHS or to a lead contracted entity for a specific geographic area. Full case management means that the lead entity is responsible for a case, from removal through post permanency, with no opportunity for rejecting the referral from DHHS. The lead entity, by and through its service providers, must provide all case management, placement and service delivery.
3. Use an independent, third-party evaluator throughout the course of development and implementation of the funding model.
4. Hold both public and private agencies accountable for ensuring that children and families served reach the same set of outcomes and performance indicators. Public and private child welfare agency progress will be measured using validated data and information from the Michigan Statewide Automated Child Welfare Information System (MiSACWIS) and other methods established from the state's continuous quality improvement system. Agency progress will be shared regularly with community stakeholders and broader public.
5. Develop and modify the funding and rate setting methodology by involving relevant stakeholders and the professional, expert services of an actuary.
6. Ensure a budgeting/funding model for the contracted case rate and public sector allocations that equitably:
 - a. Accommodates the distinctions presented when delivering services to the specific geographic area and the attributes of the populations served. For example, public and private agencies serving a smaller population, with limited service providers, in a large geographical area (like that in the Upper Peninsula) must be considered in budgeting resources, case rates, and appropriations;
 - b. Ensures the provision of funds necessary to meet the needs of children and families as assessed. A system must be established by provider network to allocate funds and manage risk, while ensuring the unique and complex needs of children and families are met;
 - c. Ensures the provision of funds necessary to provide a defined range or bundle of services for children and families who are in their care;
 - d. Includes a mechanism for the documentation of savings and reinvestment, including a detailed budget and spending plan as well as a plan for managing financial risk;
 - e. Creates flexible and integrated funding and resource allocation strategies from existing categorical fund sources such as Title IV-E, Title IV-B, Title XX, TANF, General Fund, County Child Care Fund, and State Ward Board and Care to support a single, cohesive funding source necessary to support a case rate based approach.

The PBCWS is expected to achieve incremental and sustained improvement on concrete measures of child safety, wellbeing, permanency, and satisfaction from the perspective of children and families served. In this system, children and families will experience universal,

early, and comprehensive assessments of their strengths and needs and will be matched with services more timely than under current circumstances. Families will experience effective, evidence-based interventions and resolution of concerns. Children's physical and behavioral health needs will be met timely. Children will be kept in their communities often and services applied in lesser restrictive placement settings. Families will experience quicker reunification and formal and informal supports to sustain progress following reunification. Children will not encounter excessive delays in permanency through reunification or adoption.

The implementation of the performance-based funding model through DHHS requires the fullest engagement and transparency across all invested stakeholders of DHHS, the community agencies, the courts, counties, the Legislature, national experts in child welfare financing and programming, parent and child consumers, and members of the broader community. While the CWPBF Task Force's final report has many facets of a proposed model, a significant amount of research and development, as well as engagement with critical stakeholders and interested parties remains before initial implementation is possible. Since the original report, the Child Welfare Partnership Council (CWPC), has continued to meet to move the PBCWS project forward.

As required by the final report of the Michigan CWPBF task force that was issued in response to Section 503 of Article X of 2013 PA 59, DHHS shall implement a five-year independent, third-party evaluation of the performance-based funding model (see Section II, Background, #3).

III. SCOPE

The Contractor is to provide professional technical services for the design and execution of an evaluation ("Evaluation Project") of a five-year PBCWS project for out-of-home placement of children in foster care.

The Contractor is to monitor the PBCWS project, as well as any child placement or case management issues arising from the Pilot (see Section II, Background, 2nd paragraph), and include ongoing standardized assessments of reliable and valid measures of case rates applied/paid to public and private foster care agencies as a result of the PBCWS project. The Contractor must conduct the evaluation and prepare and submit interim reports and a final evaluation report.

Contractor's team will conduct a rigorous, comprehensive evaluation of the PBCWS project in a phased-in implementation environment.

The evaluation team will monitor the PBCWS project on a continuous basis throughout the 5 years of the evaluation contract, coordinated with the State's expanded Continuous Quality Improvement (CQI) efforts, activities, and reporting. The team will conduct regular assessments of PBCWS model development and implementation in Kent County by implementing the following evaluation processes: (1) develop and implement methods that accurately assess the PBCWS practice and funding model, including reliable and valid case rates used for public and private foster care service agencies, based on service population characteristics and needs; (2) develop and implement process and outcome evaluations to analyze of performance, outcomes, and model fidelity based on program data and system performance metrics; (3) develop and implement a cost study to assess the cost effectiveness of the PBCWS model; and (4) develop and implement a problem resolution strategy to identify and resolve problems throughout the project period. The evaluation design will include methods to adjust for factors that may bias

conclusions, including confounding effects from other pilot projects or experimental social services activities that occur simultaneously to PBCWS implementation, and variations in costs or service delivery due to the ratio of public versus private cases or the implementation of a lead agency or consortium model.

The evaluation team will routinely and on a regular schedule provide quarterly and annual reports that include progress and measurements of success on each of the above evaluation processes. These reports will provide a summary of the project to date, descriptions of work and tasks performed, work and tasks to be performed, and any problems or issues that were resolved or still need to be addressed and possible resolutions. The team will prepare two interim reports that will summarize evaluation findings to date. The final evaluation report will integrate the process, outcomes, and cost analysis studies and will assess the strengths and weakness of the PBCWS project and make recommendations for expansion of PBCWS to additional counties.

Contractor proposes a matched comparison model for the evaluation. Specifically, Contractor has designed the evaluation to include Kent County and a comparison county, matched on such important characteristics as income, race, and rural vs. urban, but also on organizational characteristics such as service area, array and availability; service population; agency size and composition; and number of children and youth in care. In addition, Contractor will need to consider a county that is implementing the lead agency model. Contractor will work closely with the State to find an appropriate comparison county.

For the outcome study, Contractor proposes two options for comparison sites. First, if the identified comparison county provides sufficient outcome data to make adequate comparisons, Contractor will include only the one comparison county. For a more robust outcome study, however, Contractor might propose an alternative, choosing three or four comparison counties instead of just one. This will allow for more sophisticated outcome analyses (e.g., multilevel modeling) and larger sample sizes. In addition, because the outcome study will use administrative data, including multiple comparison counties.

Contractor will work with the State to determine which outcome study option is best suited to their needs.

IV. WORK AND DELIVERABLES

The Contractor must provide deliverables/services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

A. Evaluation Project

In General. The Contractor must design and execute a 5-year comprehensive evaluation of the PBCWS project. As specified in the sections below, the Evaluation Project must include the following components: (1) Methodology; (2) Process Evaluation; (3) Outcome Evaluation; (4) Problem Resolution; and (5) Cost Evaluation.

The Contractor must submit an Evaluation Project draft plan to the DHHS Program Manager no later than 30 days from the Contract Effective Date for review and approval. The draft plan must illustrate the Contractor's strategy and technical approach as to how it will successfully complete the Evaluation Project given the required components.

The draft Evaluation Project Plan will include the major tasks and deliverables required to complete each of the major evaluation components: Process Evaluation, Outcome Evaluation, and Cost Evaluations. In addition, the draft Evaluation Project Plan will provide details on how each task will be completed and the staff assigned to each task.

1. Methodology

The Contractor must provide the methodology it intends to utilize for the evaluation. At minimum, the methodology must include:

- (a) The underlying logic for assessing PBCWS project implementation; The purpose of this evaluation is to rigorously test whether the PBCWS produces improved outcomes for children and families, is cost effective, and allows for the effective allocation of resources to promote local service innovation, create service efficiencies, and incentivize service providing agencies to be accountable for achieving performance standards. As described, PBCWS includes the implementation of three interrelated components: (1) enhanced MiTEAM case practice model; (2) enhanced CQI activities; and (3) performance-based contracting for out-of-home placement services.

Despite the longstanding framework of “safety, permanency, and well-being” for measuring the child welfare system’s performance at the Federal, State, and local levels, child welfare agencies continue to struggle with how to measure the effectiveness of service delivery systems on these outcomes. Contributing to this struggle is the restrictions on how Federal, State, and county funds can be used to meet the service needs of foster care children and their families and caregivers. Michigan DHHS is developing and implementing a continuum of care system to: (1) meet its mission to support children, youth, and families to reach their full potential; (2) advance its vision for child welfare professionals to show an unwavering commitment to partner with the families they serve to develop and implement trauma-informed services; and in doing so, (3) ensure children are safe, have permanent homes, and meet standards for well-being.

In the performance-based funding model, services in both public and private agencies will include the full range of case management services for foster care and post-placement cases and funding will be based on agencies’ performance-based contracts. The evaluation team proposes to monitor and report on the development and implementation of the PBCWS project in Kent County.

The evaluation is needed to test whether a complete performance-based service delivery system will result in more efficient use of available funds to effectively provide services to foster care children and their families and

caregivers and, ultimately, improve safety, permanency, and well-being outcomes.

- (b) Major variables to be measured;
Contractor will implement a comprehensive process evaluation which will look at implementation of PBCWS in Kent County using multiple methods, including document reviews, analysis of administrative data, fidelity checklists, and participant satisfaction surveys, along with interviews with State and local stakeholders and focus groups with child welfare agency staff (both public and private).

The outcome study will evaluate safety by examining measures of maltreatment occurrence and recurrence and the reduction of the effects of trauma and risk behaviors in child welfare-involved families and children. The team will evaluate child well-being by examining changes in multiple aspects of well-being in foster youth, including behavioral, emotional, social, cognitive, and academic functioning; and physical and mental health and development. Permanency outcomes will be evaluated using such indicators as length of time to permanency and placement stability.

Finally, Contractor's rigorous cost study will use system-level cost data to examine expenditure patterns and track different revenue sources; individual-level cost data to report on the type, dosage, and costs of services provided and received; and cost-effectiveness substudies for each of the key outcomes identified in the outcome study.

- (c) Research questions to be studied.
(d) Sampling plan:

Contractor will implement a matched comparison model design for this evaluation. This matched comparison county design will be used to detect changes in outcomes for those children and families receiving services under the performance-based practice before, during, and after full implementation compared to the outcomes of children and families in a match comparison county that has not implemented a performance-based practice model who receive services under the State's customary public and private purchase of services model ("services as usual").

For outcome measures that can be assessed using MiSACWIS data (or other administrative data available through county data management systems), sampling will not be necessary. The evaluation team will use all available outcome data for both Kent and the comparison county. Data from county records will be used in a similar manner.

Contractor will use sampling methods for two process evaluation activities: interviews and focus groups, and participant satisfaction surveys. Interview and focus group participants will be selected in collaboration with DHHS and local

stakeholders, to include those individuals who are most likely to be able to provide information on areas of inquiry and who are available to do so. In addition, participant satisfaction surveys will only be given to families whose children are in the foster care system; these families will be excluded only if they decline to participate.

- (e) Data sources (including an assessment of the reliability and validity of each source);

The following will be used as data sources in either the process or outcome evaluation or in both, taking into consideration the reliability and validity of each one: MiSACWIS, including case notes; county and agency data systems; case monitoring data (including data collected by State caseworkers, supervisors, directors, as well as by private provider workers/supervisors/directors and by CQI local and State teams); Quality Service Review (QSR) team performance measures; safety, risk, trauma, and family assessments; Family Team Meeting documentation; services plans; CQI and QSR reports; relevant State and local documents; fidelity checklists; participant satisfaction surveys; and State and local stakeholder interviews and focus groups. Contractor will carefully evaluate all data sources for accuracy, completeness, reliability, and validity and work to resolve any issues we find or, if they threaten the integrity of findings, remove them from the analysis or use them, but explain any potential bias that might result.

- (f) Data collection procedures; and

Contractor's evaluation plan will be submitted to Contractor's IRB for review and approval, to be assured that data collection processes and procedures meet all guidelines for human subjects research. In addition, Contractor's IRB will secure an Institutional Authorization Agreement (IAA) between it and University of Michigan School of Social Work and Chapin Hall to officially designate Contractor as the IRB of record for this project.

Administrative data will be gathered, to the extent possible, at the State, county, and local levels (e.g., agency-level data systems). These data will be accessed through data sharing and consent agreements, when necessary.

Contractor and subcontractors are committed to and experienced in protecting the integrity, security, and confidentiality of administrative and survey data. Contractor will implement these procedures with all data we access as part of the evaluation. Contractor's security policies, procedures, and controls conform to National Institute of Standards and Technology guidelines and our computer systems comply with the Federal Information Security Management Act "moderate" security level guidelines. Major data analyses to be performed.

Contractor will use various statistical techniques, appropriate to the research questions and methods proposed for each study.

The process evaluation will assess the implementation of PBCWS using qualitative and quantitative methods. The analysis of quantitative process data will focus on describing, summarizing, and comparing data sources within and across participating counties (Kent and comparison county) using descriptive statistics (e.g., frequencies, percentages, ratios, and ranges). This will help identify the main features of the data and discern any patterns in the results. Data will be further explored by disaggregating them across different variables and subcategories of variables, using crosstabulations (crosstabs). Contractor may also use correlations to describe the nature of relationships between two variables. Correlations can be used to demonstrate that a relationship or pattern exists, but not that one causes the other.

Qualitative process evaluation data will be analyzed using an iterative approach; that is, there will be several key steps that build upon each other from transcribing interviews to coding and interpreting the data. The first step in the process will be to transcribe the audiotapes into text. The next step will be to read through the transcripts to identify and code key themes that emerge from the data and logically group them accordingly. Once themes are identified, the next step is to develop codes or subthemes for each major theme (or grouping). Once the coding scheme has been tested, it will be applied to the full dataset. To expedite the entry, organization, management, and analysis of the data, the process evaluation analysis team will use a state-of-the-art qualitative analysis software package that includes a variety of search tools to scan and code text.

Administrative outcome data will be analyzed using a variety of statistical techniques to examine changes in child and family outcomes (i.e., safety, permanency, and well-being), comparing Kent County to the comparison county over time. In particular, Contractor will use sophisticated multivariate regression models, controlling for important child and system level characteristics that might bias estimates. Linear regression models will be used to analyze continuous outcome measures, logistic regression will be used to analyze categorical outcome measures (e.g., children who achieve permanency within 1 year), and survival analysis will be used to analyze time-to-event outcomes (e.g., time in out-of-home care). Regression predictors that are related to outcomes will be included in our statistical models to reduce bias in our assessment of differences between Kent and the comparison county.

Cost data will also be analyzed using a variety of complex statistical techniques to examine the following: (1) change in expenditures over time in Kent and the comparison county; (2) resources developed and used to implement PBCWS; (3) cost comparisons of key elements of services at the child level; and (4) cost-benefit and cost effectiveness of PBCWS as compared to “services as usual.”

In combination, these analyses will produce findings that inform every aspect of this project, including whether PBCWS improves cost and service efficiency and results in improvements in safety, permanency, and well-being over and above those found in “services as usual.”

2. Process Evaluation

The Contractor must evaluate how the PBCWS project was implemented and conducted, identifying any differences in the services offered pre- and post-implementation, as well as any differences in the services offered by child welfare agencies following the performance-based model versus the services offered by child welfare agencies not following the performance-based model.

The analysis must include a logic model that describes the PBCWS objectives, the services provided, and the manner in which the services are linked to measureable outcomes.

The Process Evaluation must examine and document, at minimum:

- (a) the planning process for the PBCWS project, including whether any formal needs assessment, asset mapping, or assessment of community readiness was conducted;
- (b) the organizational aspects of the PBCWS project, such as staff structure, funding committed, administrative structures, and project implementation, including ongoing monitoring, oversight and problem resolution at various organization levels;
- (c) the service delivery of the system, including procedures for determining eligibility, referring families for services, the array of services available, the number of children/families served, and the type and duration of services provided;
- (d) the role of the courts and the relationship between the child welfare agencies and court system, including any efforts to jointly plan and implement the PBCWS project;
- (e) the contextual factors, such as the social, economic and political forces that may have a bearing on the ability to replicate the PBCWS project or influence its implementation or effectiveness. This discussion will note any possible confounding effects of changes in the system, or changes resulting from other Child Welfare projects that were implemented during the project rollout;
- (f) the degree to which PBCWS services are implemented with fidelity to their intended service models;
- (g) the number and type of staff involved in implementation including the training they received, as well as their experience, education and characteristics;
- (h) the barriers encountered during implementation, the steps taken to address these barriers, and any lessons learned during implementation including change management activities;
- (i) the degree to which program participants were satisfied with PBCWS programs and services;
- (j) a comparison between the lead agency versus. a consortium model;
- (k) a comparison among implementing and non-implementing jurisdictions; and

- (l) qualitative differences between the pilot county(ies) and other comparison counties as to why a PBCWS may be more effective in certain counties.

The process evaluation will examine how the PBCWS project is being implemented in Kent County. The process evaluation will ultimately allow the State to determine the extent to which the PBCWS project is implemented with fidelity and linked to outcomes of interest.

The evaluation team proposes a collaborative approach to the process evaluation. To facilitate this collaboration, Contractor will work in tandem with DHHS and other State stakeholders, members of State and local implementation teams, and private and public agency staff to refine and implement data collection plans. To further facilitate collaboration, Contractor will identify an evaluation liaison in Kent and the comparison county to help facilitate and coordinate data collection activities at the local level. This individual might be a member of the local implementation team or a key employee of the public child welfare agency. Contractor will work closely with DHHS and local stakeholders to determine the appropriate individuals to serve in these positions.

Finally, Contractor will complete and submit to the Program Manager a logic model that links process evaluation expectations and activities to PBCWS objectives.

Data Collection

The process evaluation is designed to explore the extent to which Kent County implements the PBCWS, as intended, and the degree to which it achieves outcomes of interest, when evaluated against a comparison county. To address the questions of interest to the State, Contractor proposes a mixed-method design that includes the collection of quantitative and qualitative data from a variety of sources. Specifically, Contractor intends to include, to the extent possible, historical data for out of home placement, permanency (exits from the system), re-entry, case closings, and safety measures. Contractor intends to gather historical data for the 3 years prior to the time Kent County began implementing PBCWS. These will be compared to the same data collected 5 years after Kent County began implementation.

Contractor will work closely with the Program Manager to refine the list to cover all relevant areas of interest, with the goal of being able to document and explain qualitative differences between Kent and the comparison county. In addition, should new counties and comparison sites be added across the 5-year evaluation period, Contractor will examine implementing and nonimplementing counties on the final set of issues and make recommendations regarding implementation effectiveness

2.1 Data Collection Methods

2.1.1 Quantitative Data Sources. Contractor proposes to collect four primary sources of quantitative data: (1) relevant documents; (2) administrative data; (3) participant satisfaction surveys; and (4) fidelity checklists. These are described in the following sections.

Document Reviews.

Contractor's team will conduct reviews of relevant documents. Specifically, Contractor will identify key sources of extant data at the State and local levels that can be used to both inform the key topics, presented above, and provide a larger context for how the State and Kent implement PBCWS.

State stakeholders will be asked to provide documents that describe the history of the initiative, as well as those describing key policies and programmatic guidelines around the PBCWS.

Local child welfare stakeholders will be asked to provide key documents as grant applications, relevant policies and procedures, meeting minutes (for relevant and important meetings), progress reports, program manuals, evaluation plans, and documents that describe the methods by which they serve children and families. In Kent County, these documents will describe the manner in which they intend to implement PBCWS and provide services to children and families under it, whereas in the comparison county, documents will provide a context for how they currently serve children and families (i.e., "services as usual"). In most cases, these documents will be sent electronically or via postal mail to the Contractor's office and reviewed and filed there. Additionally, State and local stakeholders will be asked to identify other key policy, procedural, and management documents for review. In some cases, stakeholders may identify documents that contain relevant yet sensitive information (e.g., proprietary contractual information). If the stakeholder is willing to let us review these documents but is uncomfortable sending them to us, the document will be reviewed on site, as part of site visit activities. The evaluation team will collect this information at the outset of the evaluation and then collect any new or updated documentation at the start of each subsequent project year.

To systematically organize and review documents, Contractor will develop a document review template.

Administrative Data. Administrative data will be used primarily to assess the service delivery system and related outcomes in Kent and the comparison county; specifically, the nature and extent of services being provided to families as part of the PBCWS project, or for the comparison county, as part of "services as usual." Contractor will gather such service information as eligibility criteria and referral mechanisms; number and types of assessments completed before, during, and after service delivery; the array of services available, including the type, duration, and frequency of services; the number of caseworker visits and family team meetings; and the number of families referred and served (i.e., those that complete the service to which they were referred). Contractor will also gather information about staff, including training, experience and education; staff turnover and compensation; number of cases assigned; types of referrals made; and case closures. These data will be used in the process evaluation to help describe the manner in which services are delivered; they will also be linked to data in the outcome study to explain the relationship between services and outcomes of interest.

Contractor will work with the State and local stakeholders to identify additional sources of administrative data to use in the process evaluation. Contractor will finalize the schedule by which to collect this information with input from the State, but would like to, at a minimum, collect it in time to analyze and report on it in quarterly, annual, interim and final reports.

Participant Satisfaction Surveys. Contractor will work with service providers to implement a participant satisfaction survey with their clients.

To ensure timely and targeted data collection efforts, Contractor will work closely with evaluation liaisons to determine which services are appropriate to target for satisfaction surveys.

Once a timeline is in place, Contractor will ask our evaluation liaison (or another identified agency staff person) at each site to implement satisfaction surveys according to each agency's timeline. Because these surveys will be completed by families (parents and youth over age 13), Contractor will need to ensure their responses are kept confidential. To this end, Contractor will develop and work closely with liaisons to implement procedures for managing the completion and collection of satisfaction surveys that protects families' confidentiality.

Evaluation liaisons (or another chosen individual) will be responsible for providing families with surveys at a predetermined time. Surveys will include a cover sheet that explains the evaluation, ensures the anonymity of their responses (families will not be asked to include personally identifiable information on the survey) and discusses the important role family feedback plays in improving services provided to them. Surveys will also include a postage-paid Contractor envelope and a special sticker that families can place on the sealed envelope before it is submitted for delivery to Contractor. Families will be told that the seal will only be broken by the individual at Contractor with responsibility for data entry. Families will then be asked to take the survey home, complete it there, and put it in the mail for delivery to Contractor. Alternatively, families can complete the survey in a private area of the office, place it in the envelope provided, place the seal on it and drop it in the box provided by the agency for such purposes. Providers will be asked to keep a box in the office where completed satisfaction surveys can be placed by families and stored until they are shipped to Contractor, on a monthly basis.

2.1.2 Analysis of Quantitative Data. Contractor's analysis will focus on describing, summarizing, and comparing data sources within and across participating counties (Kent and comparison county) using descriptive statistics (e.g., frequencies, percentages, ratios, and ranges). This will help identify the main features of the data and discern any patterns in the results. Data will be further explored by disaggregating it across different variables and subcategories of variables, using crosstabulations (crosstabs).

Contractor expects that some of the information gathered from the document review will be analyzed in the same way Contractor plans to analyze the interview data, using content analysis. In particular, Contractor will use content analysis on such documents as meeting minutes to track common themes, decisions made, and key activities completed.

2.1.3 Qualitative Data Sources. Contractor proposes to collect two primary sources of qualitative data: (1) State stakeholder interviews; and (2) local stakeholder and staff interviews and focus groups.

State Stakeholder Interviews. Contractor plans to conduct telephone interviews with DHHS and other relevant State stakeholders. Contractor will work closely with the Program Manager to identify individuals for these interviews. These interviews will take place approximately 4 months after contract award (May – Jul 2016) and then again in the quarter before each interim evaluation report is due (Feb – Apr 2017 and Aug – Oct 2018). Contractor will conduct a final round of these interviews near the end of the project, in Sept – Nov 2020, approximately 6 months prior to completing the final report

Local Stakeholder and Staff Interviews and Focus Groups. Contractor plans to conduct interviews and focus groups with local child welfare stakeholders in both Kent and the comparison county during on-site visits, scheduled to take place approximately 4 months after contract award (May – Jul 2016) and then again in the quarter before each interim evaluation report is due (Feb – Apr 2017 and Aug – Oct 2018). Contractor will complete a final round of these interviews near the end of the project (Sept – Nov 2020), approximately 6 months prior to completing the final report. Contractor will work closely with evaluation liaisons and agency leadership to identify and engage the individuals who will participate in these activities. Contractor will conduct individual interviews with high-level stakeholders (e.g., agency directors) and focus groups with staff.

In Kent County, interview and focus group protocols will include questions about the impact of PBCWS on the organization and its structure and services; the degree to which actual implementation matches planned implementation; the extent to which PBCWS components are implemented with fidelity to the model; the extent to which training prepared staff to effectively implement PBCWS; and facilitators and barriers to success. Similar questions will be asked of staff in the comparison county, but will focus on “services as usual.” Staff in both Kent and the comparison county will be asked questions that explore the perceived impact of performance-based contracting on the quality, availability, and effectiveness of services provided.

Prior to each interview or focus group, participants will be briefed on the purpose of the evaluation and interview, confidentiality guidelines, and the anticipated length of the interview. In addition, they will be asked to sign a consent form. They also will have the opportunity to ask questions and gain clarification on issues of concern. Participants will be asked permission for the interviewer to tape-record the session for research purposes. Should any participant feel uncomfortable with the recording for any reason, responses will be hand-recorded. Once participants are comfortable, the interview or focus group will begin. Interviews will be conducted by one of the senior team members; focus groups will include a senior team member who will facilitate the group, and a research assistant who will be on hand to tape the session and take notes. At the end of the session, Contractor will thank participants for their time, offer to answer any questions, and assure that all interview and focus groups findings will be published in summary form, without any identifying information.

In addition to on-site interviews and focus groups, Contractor will want to have the opportunity to assess new counties’ (those that may be added throughout the evaluation period) readiness to participate in the PBCWS. In addition to reviewing the proposal they submitted to the State, Contractor will want to speak with key stakeholders to better understand their capacity to implement PBCWS and how they expect to meet the requirements of the PBCWS project. These interviews will also

serve as an introduction to the evaluation. Contractor will plan to conduct these interviews by telephone, unless we can plan them to coincide with our data collection site visits. Then Contractor will conduct readiness interviews on-site, in-person.

On-site Visits. Contractor will conduct interviews and focus groups during site visits to Kent and the comparison county. Site visits will be carefully planned in coordination with each county's evaluation liaison and the Contractor's team.

To facilitate the planning and coordination of site visits, Contractor will discuss anticipated site visit schedule and activities with evaluation liaisons, so the evaluation liaisons have plenty of upfront time to plan for visits. If new counties are added during the evaluation period, Contractor will also work closely with them around the site visit schedule, recognizing Contractor may need to make adjustments to it to accommodate them. To ensure coordination, Contractor will assign a team member to work closely with each liaison to plan data collection site visits.

Contractor has planned for four rounds of site visits across the 5-year evaluation timeframe scheduled to take place as follows: (1) the first site visit will take place approximately 4 months after contract award (May – Jul 2016); (2) the second and third visits will occur in the quarters before each interim evaluation report is due (Feb – Apr 2017 and Aug – Oct 2018); and (3) the final site visit will occur near the end of the project (Sept – Nov 2020). Visits will last five days and include two teams of three to four staff each. Each county (Kent and the comparison) will be assigned a team that will work with them throughout the evaluation.

2.1.4 Analysis of Qualitative Data. Contractor plans to take an iterative approach to the qualitative data analysis; that is, there will be several key steps that build upon each other from transcribing interviews to coding and interpreting the data.

The analysis will be overseen by Contractor's Project Manager, who will also serve as the process evaluation task leader. Coding will be conducted by Contractor's team of three analysts; our senior analyst will oversee the work of the other two, assigning interviews to them, as they are completed. The analysis team will meet at least weekly during each active analysis period. All three analysts will be involved in developing thematic codes and coding data.

3. Outcome Evaluation

- (a) The Contractor will measure the Pilot's implementation progress and overall output using the guiding principles established by the CWPBF Task Force (see Section II, Background, #1; see also Attachment A1 & A3).
- (b) The State will gather data from MiSACWIS, child welfare agency case records, and other sources as appropriate so that the Contractor can identify specific data elements that it believes are required to implement an accurate evaluation.
- (c) Through review of MiSACWIS and county data management systems, the Contractor must provide a list of data elements it believes is essential to implement the Evaluation Project within the data management systems.
- (d) The outcomes to be measured include those in the enhanced MiTEAM practice model, The Modified Settlement Agreement, the CQI pilot model, and other outcomes identified in the contract between DHHS and the Pilot. Reporting on

achievement related to these outcomes may be to DHHS leadership, Pilot leadership, the legislature, or other audiences.

(e) Measuring Child Welfare Outcomes Using Administrative Data.

The outcome analyses will focus on Kent County and a comparison county initially. The analysis of administrative data will include two time periods: (1) the 3 years prior to the time Kent County began implementing PBCWS; and (2) to the extent possible, 5 years after Kent County began implementation. The administrative data analyses will focus on child safety, permanence and child/family well-being and will be gathered via MiSACWIS and any other data systems that Kent County or the comparison county may have available.

- (i) Safety. Contractor will limit the measurement of safety to allegations that are associated with a preponderance of evidence. Allegation data will include: allegation type (e.g. neglect, physical abuse); report date; category (i.e. I, II, III, IV or V); and disposition (preponderance or not). These data will be linked with any existing (siblings) or new children (those born during the study period) within the family, which are associated with allegations of maltreatment.

Contractor will look at all allegations of maltreatment that occur before and after the project start date. Contractor will report overall rates and will estimate the timing of subsequent maltreatment.

- (ii) Permanence. Operationalized in the MiSACWIS placement data using the following fields: placement type (nonrelative foster home, licensed relative foster home, unlicensed relative foster home, congregate settings [e.g., group home, DHHS supervised residential], shelter, hospital, independent living, home of parent), placement start date, placement stop date, case open date, case close date, discharge reason. Contractor will use these data in the analyses.

Contractor will analyze permanency data within Kent County, across time, and between Kent and its comparison county. Contractor will investigate: the overall risk of entry into foster care; the timing of entry into foster care; the length of stay in foster care; and the type of foster care settings children are most likely to experience.

Contractor's analysis will investigate potential variations. Contractor's analysis will examine the stability of foster care placements and permanency over time. Specifically, for children and adolescents in placement, Contractor will estimate the total number of placement changes and the number of placement changes by total months in care. Contractor will also investigate changes in placement settings as they relate to restrictiveness of care. Finally, Contractor will estimate the risk of children and adolescents returning to foster care, post reunification or adoption.

- (iii) Well-being. The key measure of child well-being is derived from the Child and Adolescent Needs and Strength (CANS) assessment.

Contractor will use these data to assess well-being in children in care in both Kent County and the comparison county. As with safety and permanency, Contractor will analyze these data over time to assess how well-being changes as a result of PBCWS.

- (iv) Additional Analyses. Contractor will also conduct supplemental policy relevant analyses. Contractor's evaluation plan will also include analyses designed to understand which subgroups of families are at greatest risk of continued maltreatment or of remaining in foster care. Contractor's analyses of safety (subsequent maltreatment) and permanency will include child and parent demographics. Contractor will explore the role that race, gender, age, history of maltreatment, trauma, and other important covariates play in explaining future maltreatment and the likelihood of achieving permanence.

(f) Data Analysis

Outcome data will primarily be individual case data, examined across time. As noted, the analysis will compare outcomes in Kent County to those in the comparison county both before and after PBCWS implementation. Outcome measures will be summarized using tables and charts. In addition, statistical analyses will be used to assess the effect of PBCWS implementation on outcome measures, adjusted for the effect of other predictors (e.g., other initiatives or changes in services that might be happening simultaneous to PBCWS) that might bias conclusions.

Contractor will analyze outcome data using regression analysis and related statistical methods. Contractor expects to use several regression variations, including linear regression for analyzing continuous outcome measures, logistic regression for analyzing categorical outcome measures, and survival analysis for analyzing time-to-event data (e.g., time in out-of-home care). To the extent possible, regression models will include both a time and county variable, an implementation variable, and a measure of their interaction. The interaction coefficient will serve as a measure of PBCWS effects, after adjusting for other predictors in the model.

- (g) Data Security. The administrative data to be used in the evaluation are sensitive and require secure measures to maintain confidentiality. All parties with access to the administrative data will adhere to strict data security policies. Parties will agree to comply with all laws, regulations and executive orders relating to the confidentiality of sensitive data and will adhere to all data security policies and rules regarding the reporting of any security breaches as specified in the contractual arrangements between Contractor, the State, and Subcontractors.

4. Problem Resolution

The Contractor must address any potential problems inherent in its evaluation design related to analyzing the impact of the PBCWS development, and the strategy it will employ to minimize such problems. This must include:

- (a) Methods of analysis which adjust for, or minimize, the potential influence of factors which might bias conclusions concerning PBCWS project impacts; Contractor plans to use regression analyses to analyze outcome data. Although the selection of predictor variables will be limited by the data available in MiSACWIS, inclusion of predictors related (or potentially related) to outcomes can greatly reduce any bias in the assessment of differences associated with PBCWS implementation. If there are variables that are thought to be related to outcome measures, but are not part of MiSACWIS, Contractor will attempt to gather them from other sources (e.g., county-level records or data systems).

The analyses will compare outcome measures between Kent and a paired, comparison county. If an appropriate paired county for Kent County cannot be found, Contractor proposes expanding the outcome study sample to include three or four counties instead of only one. To the extent that other counties can be incorporated into the outcome study, Contractor may be able to separate differences due to the implementation of PBCWS from other differences between the counties using multilevel or “mixed” regression models that include predictors related to both characteristics of individual cases and county characteristics.

To the extent that the effect of PBCWS implementation is uncertain based on the statistical analysis, data from the process evaluation may provide additional insight into the effects of PBCWS implementation that may help interpret statistical results.

- (b) Possible confounding effects, addressed in detail, from other pilot projects or experimental social services activities, if any, running concurrently with the PBCWS project evaluation; and How these other activities or initiatives affect PBCWS implementation or outcomes depends on such factors as when these activities were introduced and for how long they have been going on and whether they were modified to accommodate the introduction of PBCWS. Contractor’s analysis will use statistical techniques to account for these activities to minimize any confounding effects.

Care must also be taken to ensure that the predictors and outcomes used in any analyses across time are not affected by the rollout of MiSACWIS. For affected predictors or outcomes, analysis across time should use only post-MiSACWIS data points, and analysis using comparison counties should

account for potential bias. To the extent that changes are implemented incrementally, Contractor may construct a measure of the extent of changes of MiSACWIS over time.

- (c) Variations in pilot counties related to a mix of public/private agencies and the role of lead agency or provider network.

In general, analyses comparing trends across time in Kent and the comparison county will need to account for any substantial changes in the mix of public and private agencies, across time. One way to manage this is to include “percent private cases” and “type of model” (lead agency vs. consortium) as a county-level covariates in the analyses. When choosing a comparison county, it will be important to consider the mix of public and private agencies in it as well as the type of model agencies use.

5. Cost Evaluation

The Contractor must conduct a cost-benefit and cost-effectiveness analysis, which will be included in the Interim and Final Evaluation Reports, as indicated in Section IV.C.2., Evaluation Reports. The Cost Evaluation must include, at minimum:

- (a) a comparative cost-benefit analysis of child welfare entities following the PBCWS model versus child welfare entities not following the PBCWS model, identifying differences in resources, staffing, services provided, activities, and total expenditures from all funding sources;
 - i) Evaluation
Contractor’s focus will be on collecting all costs associated with the provision and delivery of out-of-home services. The effort to evaluate cost, cost-benefit, and cost-effectiveness in Kent County will be take into account its structural distinctiveness, while also supporting analysis that will permit cost comparisons in a comparison county. The approach to collecting cost data and calculating key cost metrics will be similar in Kent and the comparison county (and all future counties, should they be added during the study period).

A review of the (potentially newly developed) case rate being used there. Specifically, in the collection of expenditure, revenue, and services data, Contractor will review the extent to which the case rate adequately covers the required services delivered as part of the performance based contract. Three integrated components using system-level and individual-level data to illuminate cost impacts of the PBCWS. First, at the system level, the primary research question will judge what effect the transition to performance-based contracting has on expenditure patterns in Kent County. The system-level study will also track use of different

revenue sources. Expenditure patterns and revenue sources will be compared with those in the comparison county. The second component will use individual-level cost data to report on the type, amounts and costs of the services received by children referred for out-of-home services compared to those provided prior to the transition and to services provided concurrent with the transition to a matched cohort of children receiving out home services in the comparison county. As a third component, cost-effectiveness sub-studies will be conducted for each key outcome identified in the outcome evaluation. Final decisions about the scope and content of the cost evaluation will be made in consultation with the Program Manager and the full evaluation team

ii) Change in Expenditures over Time : Kent and Comparison County

A core component of the system-level analyses of county expenditures and revenues will be to create a database of aggregate child welfare expenditures and revenues for Kent and the comparison county, starting with the 2 years prior to implementation of PBCWS. Based entirely on expenditure data, Contractor will organize these data into a programmatically relevant, longitudinal, and flexible format. It will also be expandable, to include other counties, if and when they transition to performance-based funding or are included as comparison counties.

The goal will be to represent revenues and expenditures in Kent County with those in the comparison county, while also permitting analysis of pre/post costs in Kent County. To the extent possible, this aggregate database will be derived from individual level data so that data for the cost-effectiveness analysis can be based on the same source as the system-level study of costs. Contractor proposes the creation of this database will take place in four steps. First, Contractor will define the expenditure and revenue elements currently available in consultation with the Program Manager, CWPC, and the West Michigan Partnership for Children (WMPFC), and, if necessary, representatives from Public Consulting Group. These elements will cover the full range of “ingredients” necessary to calculate total program costs in Kent and the comparison county.

In Kent County, the public agency’s cost will include payments to WMPFC, as well as additional costs/resource utilization

associated with program implementation and monitoring. For WMPFC, their total costs will be the cost of meeting case management service requirements as well as their operating costs. Data collection from the service providers will also involve assessment of the services provided, as well the allocation of staff and staff time both direct and indirect care.

Next, Contractor will assess the available administrative data resources to generate data for the database specified above, and the capacity of the sources to answer the research questions. This assessment will focus on individual-level data and available linking variables as well as aggregate expenditure data. Then, the evaluation team will work with the Program Manager and CWPC to identify, gather and organize any available and relevant expenditure data that is not included in the above resources. The fourth and final step will be to populate the database based on these plans and update it semi-annually.

At the analysis phase, Contractor will focus on exploring whether there are significant differences in spending within Kent County, over time, and whether there are significant differences in revenue patterns between Kent County and the comparison site. Contractor will use multi-level regression and nonparametric tests to analyze the time series for each data element, making appropriate comparisons to the pre-PBCWS period.

- iii) Cost Comparison of Key Elements of Services at the Child Level
Once the evaluation team constructs the database, it can be used for analyses across implementation phases and if the initiative expands to include other counties. Using the individual-level data in the compiled database, Contractor will sum together the costs for each program element we track across Kent County. From these child-level total costs, Contractor will calculate average costs per child of “diagnostically related groups.” The same calculation of costs per child of will be made for children in the comparison county. The results of this analysis will show total costs per child, to the extent feasible, and uncover any differences that may emerge from implementing PBCWS.
- (b) a list of comparable counties that utilize mixed placing services (i.e., public and private) which will be reviewed by the State, in collaboration with the Child Welfare Partnership Council (CWPC), for approval; and
 - (c) a cost-effectiveness analysis of successful key outcomes achieved through the PBCWS project.

The cost study will include a cost-effectiveness substudy for each outcome, with a specific focus on key permanency outcomes.

B. Project Plan

In General. The Contractor must carry out the Contract Activities under the direction and control of the DHHS Program Manager and/or designee.

The Contractor must submit a final Project Plan to the DHHS Program Manager no later than 30 calendar days of the Contract Effective Date for review and approval. The Project Plan must include, at minimum:

1. Scope

The Contractor must define the Evaluation Project's scope by developing and documenting a scope statement, scope inclusions, and scope exclusions. Key stakeholder concurrence must be obtained before DHHS approves the scope definition. The scope definition must include, at minimum:

- (a) Identifying the Evaluation Project's level of change in anticipation of developing the needed change leadership strategies and education/training programs.
- (b) Defining tangible and verifiable project deliverables along with their supporting work packages and activities.
- (c) Facilitating the detailing of the Evaluation Project's deliverable designs by collaborating with the appropriate subject matter experts.
- (d) Identifying the Evaluations project's success measures and the metrics used to determine such measures.

2. Resources, Schedule, and Risk

Upon approval of the scope definition, the Contractor must develop and document the remaining Project Plan elements of resource, schedule, and risk, which includes:

- (a) an estimate of staff resources, time commitments, and skill levels needed to complete the defined deliverables and subtasks, as well as an estimate of all other required resources including, but not limited to, equipment, technology, facilities, supplies, research, and education programs.
- (b) a detailed budget, finalizing funding sources, and validating the budget against initial cost projections. The budget must include all known capital, other one-time expenses, and ongoing support costs.
- (c) a high-level schedule based upon the sequencing of the work packages and activities defined by the deliverables. This includes the consideration of schedule constraints, deadlines, and dependencies on other projects that may be beyond the Contractor's control.
- (d) identification and assessment of the risks involved with completing the Evaluation Project deliverables. The Contractor must develop risk mitigation strategies for those risks assessed as High Impact and High Probability.

3. Milestones

The Contractor must also include in its Project Plan, a time-phased milestone projection, showing each major milestone, supporting tasks, and decision point(s) in the Project Plan.

4. Draft Project Plan:

Michigan Performance-Based Child Welfare System Project Work Plan

Personnel Resources by Task and Subtask	Activities	Hours Required and Allocated				
		Year 1	Year 2	Year 3	Year 4	Year 5, + 4 months
1. Project Plan	<ul style="list-style-type: none"> • Compile and develop project plan that includes major tasks and deliverables, and a list of activities for each task and subtask required for each evaluation component • Institutional Review Board <ul style="list-style-type: none"> - Secure an Institutional Authorization Agreement (IAA) between Westat IRB and the University of Michigan IRB and University of Chicago (Chapin Hall) - Develop initial IRB package - Meet with IRB to review submission - Make modifications to package at the request of the IRB - Develop and submit IRB amendments as needed - Consult with Westat IRB administrator as needed - Complete IRB incident reports to document unanticipated problems as needed • Sampling Plan <ul style="list-style-type: none"> - Discuss sampling design and approach with DHHS • Project management tasks (budget, invoicing, managing tasks as a whole. • Submit final Project Evaluation Plan to DHHS Project Manager 	312	245	245	245	271
1.1. Process Evaluation	<ul style="list-style-type: none"> • Develop Methodology <ul style="list-style-type: none"> - Develop a plan and approach to complete an evaluation to address the research questions and prepare the deliverables • Data collection <ul style="list-style-type: none"> - Develop data collection tools and protocols - Develop model fidelity form <ul style="list-style-type: none"> ▪ Develop fidelity measures - Design participant satisfaction survey - Identify administrative dataset and elements to collect - Identify types of agency documentation to collect and design extraction tool as appropriate - Conduct reviews of relevant documents to identify key sources of extant data at the state and local levels - Develop interview and focus groups protocols <ul style="list-style-type: none"> ▪ Identify key stakeholders and staff for interviews and focus groups ▪ Conduct telephone and focus group interviews - Work with DHHS to identify comparison sites • Conduct site visits • Perform quantitative and qualitative data analysis <ul style="list-style-type: none"> - Develop detailed analysis plan - Identify individual data elements/variables - Develop derived variables 	1,216	1,067	1,067	939	1,044

Michigan Performance-Based Child Welfare System Project Work Plan

Personnel Resources by Task and Subtask	Activities	Hours Required and Allocated				
		Year 1	Year 2	Year 3	Year 4	Year 5, + 4 months
	<ul style="list-style-type: none"> - Develop a complete list of analyses to examine key research questions - Develop a coding scheme for qualitative data 					
1.2. Outcome Evaluation	<ul style="list-style-type: none"> • Develop methodology <ul style="list-style-type: none"> - Identify primary data elements available for outcome studies - Identify secondary data elements available for outcome studies - Develop data collection schedule - Secure necessary data sharing agreements with DHHS and providers - Develop data upload and cleaning schedule - Develop list of specific outcome oriented analyses - Develop reporting formats - Permit time for feedback (other team members and DHHS) • Collect data • Conduct data analysis <ul style="list-style-type: none"> - Run analyses, monitor for accuracy - Conduct outcome analyses for primary data to examine the following: <ul style="list-style-type: none"> ▪ Safety/risk ▪ Permanency/living situation ▪ Trauma/Well being • Review primary data outcomes analyses to expected outcomes • Review primary data outcomes analyses to research questions on outcomes to children and families 	1,507	1,503	1,503	1,511	1,788
1.3. Problem Resolution	<ul style="list-style-type: none"> • Conduct analyses that adjust for the effects of other factors that may bias or influence the outcome measure <ul style="list-style-type: none"> - Conduct analyses to assess the effect of PBCWS implementation on the outcome measures adjusted for other influencing factors - Conduct analyses to compare trends in outcome measures before and after implementation of PBCWS 	56	48	48	48	48
1.4. Cost Evaluation	<ul style="list-style-type: none"> • Develop methodology <ul style="list-style-type: none"> - Examine process, identify resource utilization, assign costs and subcategories of costs to funding sources by PBCWS model versus child welfare entities not following the PBCWS model • Collect data <ul style="list-style-type: none"> - Review system-level and individual-level data to determine cost impacts of PBCWS - Review individual-level cost data to report on the type, amounts and costs of the services received by children in experimental group with those in control group • Prepare data for analysis <ul style="list-style-type: none"> - Implement cost analysis by comparing expenditures on pilot county consortium group 	357	760	610	746	991

Michigan Performance-Based Child Welfare System Project Work Plan

Personnel Resources by Task and Subtask	Activities	Hours Required and Allocated				
		Year 1	Year 2	Year 3	Year 4	Year 5, + 4 months
	<ul style="list-style-type: none"> with expenditures in comparison county group by key funding sources - Implement cost effectiveness analysis - Determine outcome measures for cost-effectiveness analysis – 					
2. Reports	See sub-tasks below.	704	713	729	585	1,610
2.1 Project Evaluation Plan	<ul style="list-style-type: none"> • Prepare a report that summarizes the project and evaluation major tasks and deliverables required to complete each of the major evaluation components: Process Evaluation, Outcome Evaluation, and Cost Evaluations • Provide details in the report how each task will be completed and the staff assigned to each task • Submit final project Evaluation Plan to DHHS Project Manager 	148	0	0	0	0
2.2. Quarterly Reports	<ul style="list-style-type: none"> • Compile information needed for 3 quarterly reports each year • Write report that summarizes the progress of the evaluation, including major activities accomplished during the quarter, data collection status, issues and resolutions or recommended resolutions, expected work to be accomplished in the next quarter, and any significant deviations to the evaluation plan • Submit quarterly report to DHHS Project Manager 	232	229	229	241	245
2.3. Annual Reports	<ul style="list-style-type: none"> • Compile information needed for an annual report each year • Write report that summarizes the project and evaluation activities and progress over the previous four quarters, including interim findings and outcomes that are available and monitoring the implementation, indicating any significant issues or problems and resolutions. • Submit Annual Report to DHHS Project Manager 	292	292	292	312	304
2.4. Interim Reports	<ul style="list-style-type: none"> • Compile information needed for 2 interim reports during the study period • Write report that includes a process analysis of the evaluation to date and any outcome data available at the time, as well as a brief description of the outcome and cost components of the evaluation planned and any issues or problems anticipated in completion of these components. • Submit final Interim Report to DHHS Project Manager 	0	160	160	0	0
2.5. Final Report	<ul style="list-style-type: none"> • Compile information needed for the final evaluation report • Write report that integrates the process study, the outcomes study, and the cost analysis, including discussion of: <ul style="list-style-type: none"> - the strengths and weaknesses of the PBCWS project - recommendations for consideration if PBCWS were to expand to other countries • Submit draft Final Report to DHHS Project Manager • Make modifications to the report at the request of the DHHS Project Manager and submit modified report 	0	0	0	0	917
2.6. Reports to Legislature	<ul style="list-style-type: none"> • Compile information needed for reports once a year • Provide legislative testimony on occasion when requested, and updates on the PBCWS • Prepare presentations 	32	32	32	32	64

Michigan Performance-Based Child Welfare System Project Work Plan

Personnel Resources by Task and Subtask	Activities	Hours Required and Allocated				
		Year 1	Year 2	Year 3	Year 4	Year 5, + 4 months
2.7. Presentations	<ul style="list-style-type: none"> Present findings to the legislature Compile information needed for 3 presentations in the final year of the project Prepare supplemental or post-evaluation reports Make formal presentation of the final evaluation report, tailored to specific audiences 	0	0	16	0	80
3. Meetings	See sub-tasks below.	276	244	244	256	376
3.1 Kick off meeting	<ul style="list-style-type: none"> Work with DHHS to develop and document project organization and communication strategy <ul style="list-style-type: none"> Establish communication protocols between DHHS, Westat, subcontractors and all stakeholders Define and validate project scope and objectives 	44	0	0	0	0
3.2. Monthly meetings	<ul style="list-style-type: none"> Participate in monthly meetings with DHHS staff and PBCWS Team Work with DHHS staff and PBCWS Team to identify agenda items for meetings Conduct monthly PBCWS Evaluation Project Staff meetings on a regular basis 	180	192	192	192	280
3.3. Ad Hoc meetings	<ul style="list-style-type: none"> Participate in additional meetings as needed by DHHS Program Manager 	52	52	52	64	96
Total Hours		4,428	4,580	4,446	4,330	6,128

Michigan Performance Based Child Welfare System Evaluation - Project Schedule

Tasks	2016												2017											
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Project Evaluation Plan	▼																							
Kick-Off Meeting	▼																							
Process Evaluation	<hr/>																							
Site Visits						▼									▼									
Outcome Evaluation	<hr/>																							
Cost Evaluation	<hr/>																							
Quarterly Reports				▼			▼				▼				▼				▼				▼	
Annual Reports														▼										
Interim Evaluation Reports																		▼						
Final Report																								
Reports to Legislature																				▼				
Presentations																								
Meetings																								
Monthly Meetings with DHS Program Manager		▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	
Ad Hoc Meetings																								

Michigan Performance Based Child Welfare System Evaluation - Project Schedule (continued)

Tasks	2018												2019											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Project Evaluation Plan																								
Kick-Off Meeting																								
Process Evaluation																								
Site Visits																								
Outcome Evaluation																								
Cost Evaluation																								
Quarterly Reports																								
Annual Reports																								
Interim Evaluation Reports																								
Final Report																								
Reports to Legislature																								
Presentations																								
Meetings																								
Monthly Meetings with DHS Program Manager																								
Ad Hoc Meetings																								

5. Execution

Upon approval of the Project Plan elements identified in Section IV.B.1 – Section IV.B.3, by the DHHS Program Manager, the Contractor will manage the execution of the Project Plan by:

- (a) Acquiring the identified Evaluation Project team resources from the appropriate resource manager.
- (b) Engaging those resources by facilitating their acceptance of assigned roles, responsibilities, and schedule commitments.
- (c) Scheduling, facilitating, and managing all logistics for meetings or engagements with stakeholders, Contractors, and any other identified experts as determined to be necessary by DHHS in coordination with the CWPC.
- (d) Managing all Evaluation Project elements as defined. Reporting on progress and escalating issues as detailed in the defined communication strategy.
- (e) Detailing the specific deployment sequence needed to activate the defined strategy.
- (f) Managing all deployment activities and the post-implementation support cycle.
- (g) Facilitating the development and acceptance of the on-going support required after the Evaluation Project deployment.
- (h) Obtaining DHHS Program Manager acceptance that the delivered product or service is now successfully implemented.
- (i) Archiving all Evaluation Project documentation.
- (j) Managing and resolving issues, as they arise, within a timeframe mutually agreed to in writing by the parties.

C. Reporting

In General. Throughout the duration of the Contract, the Contractor must provide the following status reports to the DHHS Program Manager, the due dates for which must be specified in the Contractor's Project Plan:

1. Project Plan Reports

(a) Quarterly Reports

Quarterly Reports must outline, at a high level, the work accomplished during the quarter and the progress made on the steps identified in the Project Plan. Quarterly reports are due within 30 days of the end of each quarter, or as agreed upon between the parties. All reports must include Evaluation Project activity, progress, and concerns, if any.

The reports shall include: (1) a high-level outline of the work performed during the reporting period, (2) progress as measured in the Project Plan, and (3) other activities and concerns, if any. In addition, the Contractor will include as appropriate (4) an assessment of the involved programs and any recommendations for action by the State and relevant stakeholders in the State's child welfare system, (5) problems real or anticipated; and (6) notification of any significant deviation from previously agreed-upon work plans

(b) Annual Reports

Every fourth Quarterly Report will serve as an annual overview that summarizes the progress over the preceding four quarters. Annual Reports

are due within 30 days of the end of every 4th quarter, or as agreed upon between the parties.

The reports will summarize the progress over the previous four (4) quarters and provide an annual overview of project and evaluation activities and accomplishments, as well as any interim findings that may be available. The annual reports will indicate issues or problems and resolutions regarding the implementation of the demonstration or evaluation as approved, including updates on the resolution of any significant problems identified in the implementation report.

Draft Deliverables Table:

Deliverables	End of reporting period	Final submission to DHHS program manager	Approved by MI DHHS
Evaluation Project Draft Plan/ Evaluation Project Final Plan	Assuming an February 9th start date	03/09/2016	03/31/2016
1 st Quarterly Report – 2/9/2016 – 4-30-2016	04/30/2016	05/27/2016	06/14/2016
2 nd Quarterly Report – 5/1/2016 – 7/31/2016	07/31/2016	08/30/2016	09/15/2016
3 rd Quarterly Report – 8/1/2016 – 10/31/2016	10/31/2016	11/30/2016	12/15/2016
Annual Report (Year 1):2/9/2016 – 1/31/2017	01/31/2017	03/02/2017	04/01/2017
5 th Quarterly Report 2/1/2017 – 4/30/2017	04/30/2017	05/30/2017	06/15/2017
Interim Evaluation Report # 1 – 2/9/2016 – 04/30/2017	04/30/2017	07/01/2017	7/31/2017
6 th Quarterly Report - 5/1/2017 – 7/31/2017	07/31/2017	08/30/2017	09/15/2017
7 th Quarterly Report – 8/1/2017 – 10/31/2017	10/31/2017	11/30/2017	12/15/2017
Annual Report (Year 2): -- 2/1/2017 – 1/31/2018	01/31/2018	03/02/2018	04/01/2018
9 th Quarterly Report – 2/1/2018 – 4/30/2018	04/30/2018	05/30/2018	06/15/2018
10 th Quarterly Report – 5/1/2018 – 7/31/2018	07/31/2018	08/30/2018	09/15/2018
11 th Quarterly Report – 8/1/2018 – 10/31/2018	10/31/2018	11/30/2018	12/14/2018
Interim Evaluation Report # 2—2/9/2016 – 10/31/2018	10/31/2018	12/31/2018	01/31/2019
Annual Report (Year 3): 2/1/2018 – 1/31/2019	01/31/2019	03/02/2019	04/01/2019
13 th Quarterly Report—2/1/2019 – 4/30/2019	04/30/2019	05/30/2019	06/14/2019
14 th Quarterly Report – 5/1/2019 – 7/31/2019	07/31/2019	08/30/2019	09/16/2019
15 th Quarterly Report – 8/1/2019 – 10/31/2019	10/31/2019	11/29/2019	12/16/2019
Annual Report (Year 4) – 2/1/2019 – 1/31/2020	01/31/2020	02/28/2020	03/30/2020
17 th Quarterly Report—2/1/2020 – 4/30/2020	04/30/2020	05/29/2020	06/15/2020
18 th Quarterly Report—5/1/2020 –7/31/2020	07/31/2020	08/28/2020	09/15/2020
19 th Quarterly Report—8/1/2020 – 10/31/2020	10/31/2020	11/30/2020	12/15/2020
Annual Report (Year 5): 2/1/2020 – 1/31/2021	01/31/2021	02/26/2021	03/15/2020
Final Report	01/31/2021	05/28/2021	06/30/2021

2. Evaluation Reports

(a) Interim Report

The Contractor must provide two Interim Evaluation Reports that summarize the evaluation findings to date. The first interim report must be submitted at

least 30 days before the end of the 6th quarter; the second interim report must be submitted at least 30 days before the end of the 12th quarter.

These reports will summarize the evaluation findings to date and include a process analysis of the evaluation as well as any outcome data available at the time. The report will also include a brief description of the outcome and cost components of the evaluation planned and note any issues or problems anticipated in completion of these components.

(b) Final Report

The Contractor will provide a Final Report which must be submitted four months after the Evaluation Project ends (20th quarter), or as agreed upon between the parties. The Final Evaluation Report must integrate the process study, the outcomes study, the cost analysis, and must include the following:

- (i) Strengths and weaknesses of the PBCWS project from the Contractor's perspective.
- (ii) Recommendations for consideration if the State were to expand the PBCWS to other counties.

3. Reports to Legislature

The Contractor must provide, on occasion when requested, updates on the PBCWS development and evaluation activities to the Legislature.

The Contractor's evaluation team is well positioned to support the State in ensuring that its research and evaluation results reach any and all appropriate audiences, as needed and when requested, including the Legislature. The evaluation team values collaboration and, early in the planning phase, looks forward to discussions with the State to help identify important stakeholders and any preferred or favored avenues for dissemination of evaluation results throughout the evaluation period.

4. Post-Evaluation Reports or Presentations

After completion of the evaluation, the Contractor may be required to present or provide supplemental reports to other governmental entities as determined by the State.

The Contractor's team is fully prepared to provide or present supplemental, post-evaluation reports to other government entities as determined by the State.

D. Meetings

1. Kick-Off Meeting

The Contractor must meet with the DHHS Program Manager, prior to performing any work, the date, time, and location for which will be determined by the DHHS Program Manager, to discuss the following objectives:

- (a) Developing and documenting the Evaluation Project's organization and communication strategy to clarify reporting and escalation pathways and to ensure appropriate involvement by all stakeholder groups, including the CWPC.

At the Kick-Off meeting communication protocols will be established between the DHHS Program Manager, Contractor's evaluation team, subcontractors,

stakeholders, and CWPC so that lines of responsibility concerning methodologies, design and implementation of the evaluation, analyses and reports are clearly defined.

Contractor will work with DHHS Program Manager to ensure that goals are reached and the quality of work performed is high. This approach is based on understanding, using, and building upon current operations and processes through direct, frequent interaction with, and feedback from, the DHHS Program Manager.

- (b) Validating defined business objectives to ensure a common understanding and focus on the Evaluation Project's scope development.
- (c) Ensuring the Contractor's Project Plan encompasses all elements discussed in Section IV.B, Project Plan.

At the Kick-off meeting, the project director will review the project plan to ensure there is agreement with DHHS and the evaluation team regarding project deliverables, how the evaluation team will respond to any required changes quickly and responsibly, and the metrics used to measure the success of Contractor's efforts. Furthermore, during the meeting, the project director will review with DHHS the budget, schedule, resources and risks and present the plan to mitigate risk and successfully complete the evaluation on-time, within budget, and with the highest quality possible.

2. Monthly Meetings with DHHS Program Manager

Although there will be on-going communication with the Contractor, the DHHS Program Manager will meet monthly, at minimum, with the Contractor's Program Manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems that arise. The time and location for monthly meetings will be determined by the DHHS Program Manager.

The project director will maintain routine communications with the DHHS Program Manager through telephone conversations and email, including scheduled monthly calls to review project progress, and receive guidance from the Program Manager on solving any problems, anticipated or actual, that may arise.

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

V. ACCEPTANCE OF WORK AND DELIVERABLES

A. Procedure

- 1. Documents must be submitted to the DHHS Program Manager for review and approval as they become due according to Section IV. The timeframe for DHHS review and approval will be determined by individual task, and mutually agreed upon in writing between the parties.
- 2. Any issues or concerns identified by DHHS will be communicated in writing to the Contractor. The Contractor must resolve any issue or concern, if not waived in writing by DHHS, within 10 business days, of receiving notice of the issue or concern.

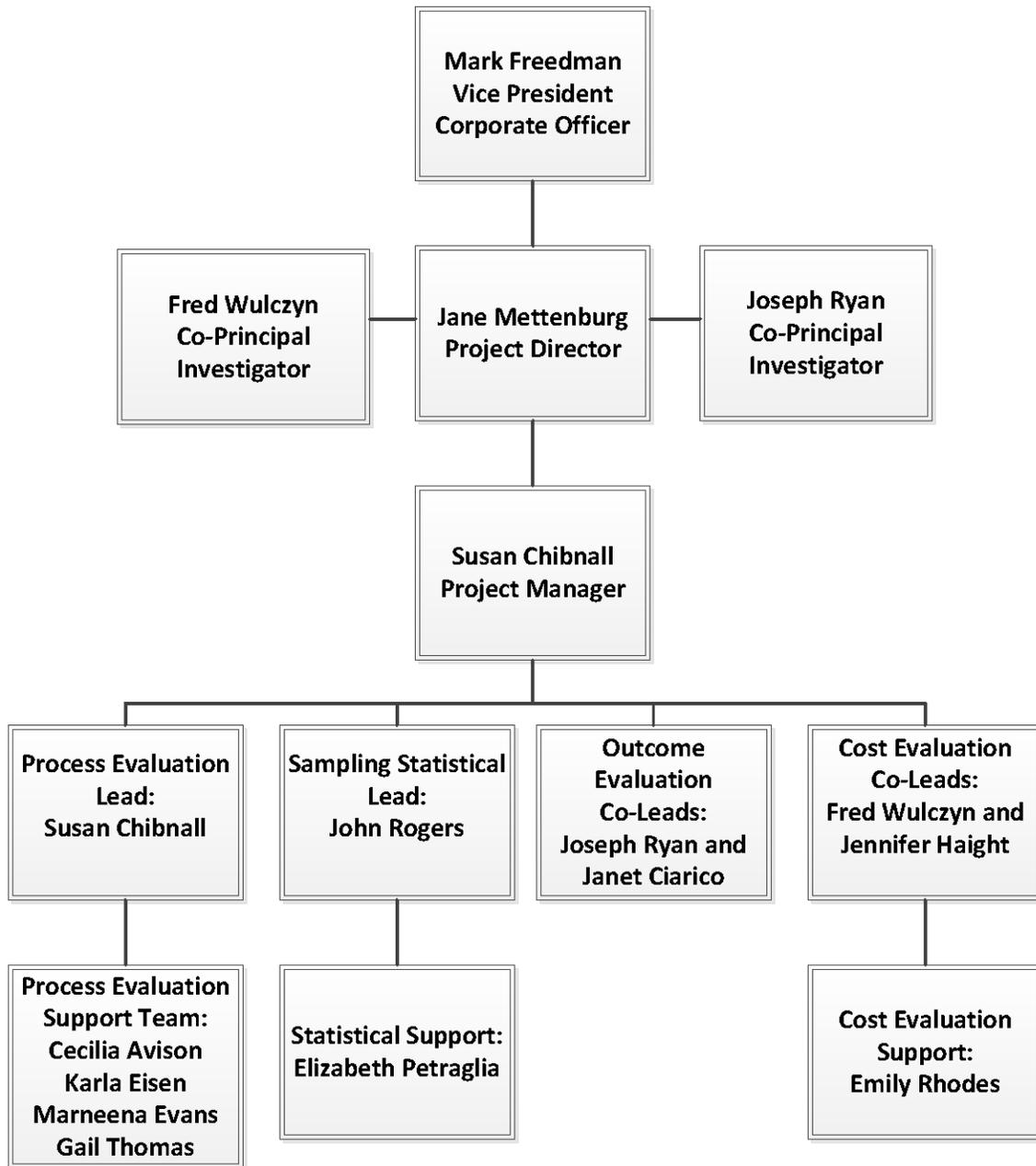
3. Final approval by the DHHS Program Manager will be communicated in writing to the Contractor.
4. Upon completion of the Evaluation Project, the parties will sign a final acceptance agreement stating that both parties agree that the project has been completed, and that final payment has been made.

B. Format

Documents must be submitted in electronic format, unless otherwise agreed to by the DHHS Project Manager, and must be compatible with State of Michigan software (i.e., Microsoft Office). Draft documents are not acceptable as final deliverables.

VI. STAFFING

A. Organizational Chart:



B. Key Personnel

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

The 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 the 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, the 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, the Contractor will issue to the State the corresponding credits set forth below (each, an "Unauthorized Removal Credit"):

1. For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the credit amount will be \$5,000.00 per individual if the Contractor identifies a replacement approved by the State and assigns the replacement to shadow the Key Personnel who is leaving for a period of at least 30 calendar days before the Key Personnel's removal.
2. If the Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 calendar days, in addition to the \$5,000.00 credit specified above, the Contractor will credit the State \$833.33 per calendar day for each day of the 30 calendar-day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$5,000.00 maximum per individual. The total Unauthorized Removal Credits that may be assessed per Unauthorized Removal and failure to provide 30 calendar days of shadowing will not exceed \$10,000.00 per individual.

The Contractor acknowledges and agrees that each of the Unauthorized Removal Credits assessed above: (a) 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 (b) may, at the State's option, be credited or set off against any fees or other charges payable to the Contractor under this Contract.

C. Project Assignments

See Exhibit D for the following staff and their respective roles as it relates to this Evaluation Project:

1. Key Personnel, including the Third Party Evaluator(s);
2. Non-Key Personnel (full or part-time); and

3. Subcontractors, if any.

D. Subcontractors

1. If the Contractor intends to utilize subcontractors, the Contractor must disclose the following:
 - a. The legal business name; address; telephone number; a description of subcontractor's organization and the services it will provide; and information concerning subcontractor's ability to provide the Contract Activities.
 - b. The relationship of the subcontractor to the Contractor.
 - c. Whether the Contractor has a previous working experience with the subcontractor. If yes, provide the details of that previous relationship.
 - d. A complete description of the Contract Activities that will be performed or provided by the subcontractor.
 - e. Of the total bid, the price of the subcontractor's work.
2. Contractor's Subcontractors:
 - a. Chapin Hall at the University of Chicago
 - Participate in the development of the evaluation's methodology.
 - Lead responsibility for performing the Cost Evaluation, conducting the cost-benefit and cost-effectiveness analysis
 - Participate in the Outcome Evaluation in coordination with the University of Michigan, School of Social Work, and in particular, as the outcome evaluation is linked to the cost-benefit and cost-effectiveness studies.
 - As needed, participate in the Process Evaluation and in the preparation of the logic model for the study and.
 - Participate in Problem Resolution in addressing any potential problems inherent in its evaluation design related to analyzing the impact of the PBCWS development, and the strategy it will employ to minimize such problems.
 - Contribute to and assist with the execution of the final Project Plan
 - Contribute and participate in the preparation and writing of the required project and evaluation reports: Quarterly Status Reports and Annual Reports, Interim Reports 1 and 2, Final Report, Reports to Legislature, and Post-Evaluation Reports and Presentations. Reports and deliverables must meet the deadlines set by the prime in order to meet the due.
 - Participate in the engagement of subject matter expert, State and private provider agency staff, and task force workgroups, and DHHS project/program staff to discuss topics relevant to the evaluation study as needed.
 - Participate and attend all Project meetings as required by the Contract, including Kick-Off meeting, monthly meetings with DHHS Program Manager, and other meetings as requested by the State.
 - Adhere to the IRB requirements and data security protocols and maintenance of data security protocols when necessary.
 - b. University of Michigan School of Social Work
 - Participate in the development of the evaluation's methodology.
 - Lead in performing the Outcome Evaluation in coordination with Chapin Hall at the University of Chicago, in particular, as the outcome evaluation is linked to the cost-benefit and cost-effectiveness studies.

- Participate in the Cost Evaluation as needed and in coordination with Chapin Hall, in particular, as the outcome evaluation is linked to the cost-benefit and cost-effectiveness studies.
- As needed, participate in the Process Evaluation and in the preparation of the logic model for the study and project Participate in Problem Resolution in addressing any potential problems inherent in its evaluation design related to analyzing the impact of the PBCWS development, and the strategy it will employ to minimize such problems.
- Contribute to and assist with the execution of the final Project Plan.
- Contribute and participate in the preparation and writing of the required project and evaluation reports: Quarterly Status Reports and Annual Reports, Interim Reports 1 and 2, Final Report, Reports to Legislature, and Post-Evaluation Reports and Presentations.
- Participate in the engagement of subject matter expert, State and private provider agency staff, and task force workgroups, and DHHS project/program staff to discuss topics relevant to the evaluation study as needed.
- Participate and attend all Project meetings as required by the Contract, including Kick-Off meeting, monthly meetings with DHHS Program Manager, and other meetings as requested by the State. .
- Adhere to the IRB requirements and data security protocols and maintenance of data security protocols when necessary.

VII. GENERAL PROVISIONS

A. Customer Service Number

The Contractor must provide its customer service number for the State to make contact with the Contractor Administrator who must be available for calls during Work Hours described in Section VII.B.

Rod Mohadjer will serve as the Contract Administrator and can be reached Monday – Friday 8:00 a.m. to 5:00 p.m. EST at 301-294-3941.

B. Work Hours

The Contractor must provide Contract Activities during the State’s normal working hours Monday – Friday, 8:00 a.m. to 5:00 p.m. EST, and possible night and weekend hours depending on the requirements of the Evaluation Project.

C. Security

The Contractor’s staff may be required to make deliveries to or enter State facilities. The Contractor must: (a) ensure the security of State facilities, and (b) perform background checks, if any. The State may require the Contractor’s personnel to wear State issued identification badges.

D. Ordering

1. Authorizing Document

The appropriate authorizing document for the Contract will be a Purchase Order (PO) release.

E. Invoice and Payment

1. Invoice Requirements

All invoices submitted to the State must include: (a) date; (b) purchase order #; (c) description and dates of Contract Activities performed; (d) unit price; and (e) total cost. All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the DHHS Program Manager and the Contractor.

2. Payment Methods

The State will make payment for Contract Activities by electronic funds transfer (EFT).

3. Procedure

Monthly payments will be prorated based on the Yearly Total in Exhibit C. The specific payment schedule for any Contract(s) entered into must be mutually agreed upon between the DHHS Program Manager and the Contractor. As a general policy, statements must be forwarded to the DHHS Program Manager by the 15th day of the following month.

F. Liquidated Damages

Late or improper completion of the Contract Activities will cause loss and damage to the State and it would be impracticable and extremely difficult to fix the actual damage sustained by the State. Therefore, if there is late or improper completion of the Contract Activities the State is entitled to collect liquidated damages in the amount of \$10,000 and an additional \$1,000 per day for each day the Contractor fails to remedy the late or improper completion of the work in Section IV.

G. Additional Requirements

1. Electronic Verification (E-Verify)

The Contractor, must verify, using the U.S. Department of Homeland Security's U.S. Citizenship and Immigration Services E-Verify system, that all new employees, and new hire employees of subcontractors, are legally present in the United States.

STATE OF MICHIGAN

Contract No. 071B6600046

Third Party Evaluator for Performance Based Child Welfare System for the
Michigan Department of Health and Human Services

**EXHIBIT B
RESERVED**

STATE OF MICHIGAN

Contract No. 071B6600046

Third Party Evaluator for Performance Based Child Welfare System for the
Michigan Department of Health and Human Services

EXHIBIT C PRICING

1. The below listing includes all Key Personnel as well as full-time and part time non-key personnel identified in staffing. Pricing in this list will be fixed for the duration of the Contract.
2. Pricing must include all costs, including but not limited to, any one-time or set-up charges, fees, and potential costs that Contractor may charge the State (e.g., shipping and handling, per piece pricing, and palletizing).
3. Travel: Contractor's out-of-pocket expenses are not separately reimbursable by the state unless, on a case-by-case basis for unusual expenses, the state has agreed in advance and in writing to reimburse the Contractor for the expense at the state's current travel reimbursement rates. See www.michigan.gov/dtmb for current rates.

Tasks and Deliverables (as identified in Exhibit A)	Yearly Est. # of Hours to Complete	Hourly Rate	Year 1 Total	Year 2 Total	Year 3 Total	Year 4 Total	Year 5 Total**	5 Year Total
A. Evaluation Project	148		\$ 22,086					
Evaluation Plan Subtotal			\$ 22,086	\$ -	\$ -	\$ -	\$ -	\$ 22,086
B. Project Plan	16075							
Project Plan Assignments (as identified in Exhibit D):								
1.) Key Personnel #1 (Jane Mettenburg, Project Director)	644	\$ 206.85	\$ 25,872	\$ 26,733	\$ 27,531	\$ 28,329	\$ 24,747	\$ 133,212
2.) Key Personnel #2 (Susan Chibnal, Project Manager/Lead of Process Study)	774	\$ 206.27	\$ 38,024	\$ 31,557	\$ 32,499	\$ 24,069	\$ 33,507	\$ 159,656
3.) Key Personnel #3 (Janet Ciarico, Co Lead Outcomes Study)	540	\$ 158.20	\$ 16,200	\$ 16,632	\$ 17,064	\$ 17,496	\$ 18,036	\$ 85,428
4.) Key Personnel #4 (John Rogers, Sampling Statistical Lead)	260	\$ 206.29	\$ 10,976	\$ 11,256	\$ 11,592	\$ 11,928	\$ 7,884	\$ 53,636
5.) Non-Key Personnel #1 (Karla Eisen, Process Evaluation Support)	833	\$ 157.20	\$ 29,400	\$ 30,184	\$ 30,968	\$ 16,848	\$ 23,547	\$ 130,947
6.) Non-Key Personnel #2 (Cecilia Avison, Process Evaluation Support)	176	\$ 108.25	\$ 4,532	\$ 4,664	\$ 4,796	\$ -	\$ 5,060	\$ 19,052
7.) Non-Key Personnel #3 (Mameena Evans, Process Evaluation Support)	1140	\$ 91.40	\$ 21,576	\$ 21,004	\$ 21,476	\$ 18,800	\$ 21,340	\$ 104,196
8.) Non-Key Personnel #4 (Gail Thomas, Process Evaluation Support)	705	\$ 128.62	\$ 19,032	\$ 19,500	\$ 20,124	\$ 14,896	\$ 17,125	\$ 90,677
9.) Non-Key Personnel #5 (Monica Basena, Process Evaluation Support)	178	\$ 127.70	\$ 6,832	\$ 5,000	\$ 3,612	\$ 3,724	\$ 3,562	\$ 22,730
10) Non-Key Personnel #6 (Elizabeth Petraglia, Statistician)	86	\$ 128.84	\$ 2,196	\$ 2,250	\$ 2,322	\$ 2,394	\$ 1,918	\$ 11,080
11.) Non-Key Personnel #7 (Yong Lee, Senior Systems Analyst)	120	\$ 183.00	\$ 4,152	\$ 4,272	\$ 4,392	\$ 4,512	\$ 4,632	\$ 21,960
12.) Non-Key Personnel #8 (Kristen Madden, Senior Programmer)	192	\$ 128.88	\$ 4,880	\$ 5,000	\$ 5,160	\$ 5,320	\$ 4,384	\$ 24,744
13.) Non-Key Personnel #9 (Vanessa Nittoli, Research Assistant)	1296	\$ 64.83	\$ 17,324	\$ 16,884	\$ 17,420	\$ 15,008	\$ 17,388	\$ 84,024
14.) Non-Key Personnel #10 Secretary	20	\$ 80.00	\$ 304	\$ 312	\$ 320	\$ 328	\$ 336	\$ 1,600

Tasks and Deliverables (as identified in Exhibit A)	Yearly Est. #	Hourly	Year 1 Total	Year 2 Total	Year 3 Total	Year 4 Total	Year 5 Total**	5 Year Total	
	of Hours to Complete	Rate							
15.) University of Michigan School of Social Work (Joseph Ryan, Co Principal Investigator/Co-Lead Outcome Study)	1490	\$ 137.21	\$ 36,860	\$ 37,965	\$ 39,104	\$ 41,358	\$ 49,163	\$ 204,450	
16.) Chapin Hall at the University of Chicago (Fred Wulczyn, Co Principal Investigator/Co-Lead of Cost Study)	434	\$ 194.78	\$ 14,700	\$ 12,240	\$ 14,184	\$ 14,972	\$ 28,438	\$ 84,534	
17.) Chapin Hall at the University of Chicago (Jennifer Haight, Co-Lead Cost Study)	910	\$ 163.17	\$ 15,622	\$ 24,444	\$ 26,035	\$ 27,588	\$ 54,792	\$ 148,481	
18.) Chapin Hall at the University of Chicago (Emily Rhodes, Cost Evaluation Support)	1904	\$ 107.75	\$ 18,092	\$ 45,031	\$ 32,670	\$ 45,430	\$ 63,940	\$ 205,163	
19.) University of Michigan School of Social Work (Univ. Of Michigan SSW Post-Doctorate, Outcome Evaluation Support)	638	\$ 51.33	\$ 6,063	\$ 5,872	\$ 6,049	\$ 6,229	\$ 8,535	\$ 32,749	
20.) University of Michigan School of Social Work (Andrew Moore, Outcome Evaluation)	3735	\$ 32.43	\$ 21,893	\$ 22,550	\$ 23,226	\$ 23,923	\$ 29,544	\$ 121,135	
Other Direct Costs									
Computing			\$ 1,717	\$ 1,628	\$ 1,614	\$ 1,280	\$ 1,422	\$ 7,661	
Copying			\$ 1,082	\$ 1,050	\$ 1,074	\$ 881	\$ 985	\$ 5,072	
Supplies			\$ 721	\$ 701	\$ 714	\$ 586	\$ 657	\$ 3,379	
Travel			\$ 10,387	\$ 10,387	\$ 10,387	\$ -	\$ 10,387	\$ 41,548	
Subcontractor Overhead		1.88%	\$ 2,129	\$ 2,785	\$ 2,656	\$ 2,999	\$ 4,407	\$ 14,976	
G&A on Other Direct Costs & Subcontractor Overhead		19.08%	\$ 3,061	\$ 3,158	\$ 3,138	\$ 1,096	\$ 3,408	\$ 13,861	
Project Plan SUBTOTAL			\$ 333,628	\$ 363,059	\$ 360,127	\$ 329,994	\$ 439,144	\$ 1,825,951	
C. Reporting	3736		\$ 76,644	\$ 105,776	\$ 110,683	\$ 89,870	\$ 211,743		
Reporting SUBTOTAL			\$ 76,644	\$ 105,776	\$ 110,683	\$ 89,870	\$ 211,743	\$ 594,716	
D. Meetings	1240		\$ 45,123	\$ 33,783	\$ 38,423	\$ 38,087	\$ 58,011		
Meetings SUBTOTAL			\$ 45,123	\$ 33,783	\$ 38,423	\$ 38,087	\$ 58,011	\$ 213,427	
							5-YEAR GRAND TOTAL	\$2,656,180	
	** Year 5 Total includes the 4 months for Final Report writing; 2/9/2021 through 5/31/2021								

EXHIBIT D

PROJECT ASSIGNMENTS

Name	Key Personnel (Yes or No)	Title	Functional Roles & Responsibilities	Percentage of time to this project	Years of Experience	Contractor or Sub-contractor (C or S)	Location
Jane Mettenburg	Yes	Project Director	Responsible for making key decisions on project direction, monitoring budget, serving as main point of contact for the client, and ensuring on-time delivery of high-quality reports.	16%	40	C	Rockville, MD
Joseph Ryan	Yes	Co-Principal Investigator and Co-Lead of Outcomes Study	Responsible for assisting in the development of the evaluation methodology and all deliverables, providing guidance on use of MiSACWIS data and leading analysis of administrative data.	19%	23	S	Ann Arbor, MI
Fred Wulczyn	Yes	Co-Principal Investigator and Co-Lead of Cost Study	Responsible for providing substantive expertise on CWPBC to guide the development and execution of the evaluation; and lead the design and analysis of the Cost Study.	10%	36	S	Chicago, IL
Susan Chibnall	Yes	Project Manager and Lead of Process Study	Responsible for day-to-day management of the project to keep project and deliverables on schedule; and lead the Process Study.	18%	17	C	Rockville, MI
Janet Ciarico	Yes	Co-Lead of Outcomes Study	Responsible for analysis of MiSACWIS data and other quantitative datasets.	16%	21	C	Rockville, MD
John Rogers	Yes	Sampling Statistical Lead	Responsible for sample design and implementation.	4%	36	C	Rockville, MD

Name	Key Personnel (Yes or No)	Title	Functional Roles & Responsibilities	Percentage of time to this project	Years of Experience	Contractor or Sub-contractor (C or S)	Location
Jennifer Haight	Yes	Co-Lead Cost Study	Responsible for collecting and analyzing cost data and contributing to reports.	12%	21	S	Chicago, IL
Karla Eisen	No	Process Evaluation Support	Responsible for leading process study analysis and contributing to reports.	14%	28	C	Rockville, MD
Cecilia Avison	No	Process Evaluation Support	Responsible for collecting and analyzing process study data.	4%	21	C	Rockville, MD
Marneena Evans	No	Process Evaluation Support	Responsible for collecting and analyzing process study data and report writing.	15%	15	C	Rockville, MD
Gail Thomas	No	Process Evaluation Support	Responsible for collecting and analyzing process study data and report writing.	14%	15	C	Rockville, MD
Monica Basena	No	Process Evaluation Support	Responsible for collecting and analyzing process study data.	7%	20	C	Rockville, MD
U. Michigan SSW Post-Doc	No	Outcome Evaluation Support	Responsible for processing SACWIS administrative data and assisting with the analyses of outcomes.	10%	TBA	S	Ann Arbor, MI
Emily Rhodes	No	Cost Evaluation Support	Responsible for cost data collection and processing cost evaluation data in the cost database.	23%	7	S	Chicago, IL
Andrew Moore	No	Outcome Evaluation Support	Responsible for SACWIS administrative data processing and outcome analysis file construction.	37%	3	S	Ann Arbor, MI
Elizabeth Petraglia	No	Statistician	Responsible for providing assistance with sampling and statistical analyses.	2%	7	C	Rockville, MD

Name	Key Personnel (Yes or No)	Title	Functional Roles & Responsibilities	Percentage of time to this project	Years of Experience	Contractor or Sub-contractor (C or S)	Location
Yong Lee	No	Senior Systems Analyst	Responsible for management of programming for merging datasets, data cleaning, and analysis.	3%	24	C	Rockville, MD
Kristen Madden	No	Senior Programmer	Responsible for programming.	5%	13	C	Rockville, MD
Vanessa Nittoli	No	Research Assistant	Responsible for assisting with meetings, site visit preparation and reports.	16%	3	C	Rockville, MD
Andrea Forsythe	No	Administrative Assistant	Clerical assistance; editing and formatting of reports.	1%	15	C	Rockville, MD