

Form No. DTMB-3521 (Rev. 10/2015)
 AUTHORITY: Act 431 of 1984
 COMPLETION: Required
 PENALTY: Contract change will not be executed unless form is filed

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
 PROCUREMENT

525 W. ALLEGAN STREET
 LANSING, MI 48933

P.O. BOX 30026
 LANSING, MI 48909

CHANGE NOTICE NO. 1
 to
 CONTRACT NO. **071B6600086**
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Public Sector Consultants 230 N. Washington Square, Suite 300 Lansing, MI 48933	Julie Metty Bennett	jbennett@pscinc.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(517) 484-4954	0429

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	GOV	Claire Khouri	(517) 335-9079	KhouriC@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Michael Kennedy	(517) 284 6397	KennedyM6@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Professional Staffing Services to provide general administration, facilitation, data analytics, research, and report development on behalf of the 21st Century Infrastructure and Education Commissions			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
May 31, 2016	November 30, 2016	Four- One Year	-November 30, 2016
PAYMENT TERMS		DELIVERY TIMEFRAME	
NET 45		FOB - Destination	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	Three Months	<input type="checkbox"/>		February 28, 2017
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$278,805.00		\$272,565.00	\$551,370.00	
DESCRIPTION: Effective July 26, 2016, the following amendment is incorporated into this Contract:				
1 – Incorporate the attached Contract Change Request No. 1 for 21 st Century Education Commission Professional				

Staffing Services.

2 – Renew Contract three months through February 28, 2017.

3 – Increase Contract \$272,565.

4 – Update Section 6 Professional Liability (Errors and Omissions) Insurance of Standard Contract Terms to: (1) Minimal Limits from \$3,000,000 Each Occurrence to \$2,000,000 Each Occurrence, and (2) \$3,000,000 Annual Aggregate to \$2,000,000 Annual Aggregate.

STATE OF MICHIGAN

Contract No.071B660086
Contract Change Request No. 1
Professional Staffing Services for 21st Century Education Commission

EXHIBIT A STATEMENT OF WORK CONTRACT ACTIVITIES

PROJECT REQUEST

This is a Contract amendment for Professional Staffing Services to provide general administration, facilitation, data analytics, research, and report development on behalf of the 21st Century Education Commission. Due to the short timeline to organize, staff, inform and facilitate each meeting so that recommendations can be fully developed and presented professional staffing is needed. The purposes of professional staff include assistance with: logistics, communication, meeting planning and facilitation of Commission meetings. Additionally, background information, data, technical expertise and research will be needed to understand the current landscape, assets and needs of education in Michigan to inform Commission meetings, discussions and decisions.

BACKGROUND

On March 10, 2016 Governor Rick Snyder issued Executive Order 2016-6 which created the 21st Century Education Commission (see <http://www.legislature.mi.gov/documents/2015-2016/executiveorder/pdf/2016-EO-06.pdf> for related Commission goals). The 25 member Commission will develop recommendations to redesign Michigan's education system to better suit the needs of a 21st century economy. The Commission will look at leading states and nations, examine Michigan's current structure and how it is serving students, and recommend and prioritize changes to Michigan's system. The focus of the commission will include, but not be limited to, governance, funding, structure, and accountability.

1. REQUIREMENTS

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

- 1.1 Staffing Support: Staffing Support must be provided to work alongside the Executive Office for all logistics and communication, meeting planning, material, information & agenda development, managing & support at commission meetings, compilation of meeting summaries, along with planning and communication with the Governor's staff, department directors and staff, and commission members as needed in between and in preparation for meetings.
- 1.2 Process and Meeting Facilitation: A Facilitator may need to be provided for several stages including pre-work, facilitating Commission subgroup meetings, and following up with Commission members as needed and organizing various national researchers and experts to speak before the Commission. The Education Commission will bring together 25 leaders from various industries to discuss one of the most pressing matters impacting the state of Michigan, our student's educational achievement. The Commission will develop recommendations for reforming Michigan's education system. In order to ensure the Commission puts forward the most solid list of recommendations possible, superb meeting facilitation is a must.
 - 1.2.1 Contractor must provide; at a minimum; plan for pre-work, facilitating styles employed, and process intended to support follow up with Commission members.

Meeting Preparation and Attendance

CONTRACTOR will assist in the development of the commission's overall approach, meeting agendas, and meeting materials. In order to accomplish the goals set before it,

CONTRACTOR recommends that the commission follow a streamlined and action-focused process. In the summer, Contractor proposes that the full commission meet to ground members, agree upon key tasks and processes, and set a vision. These meetings will include presentations about Michigan's education system as well as high-performing education systems across the United States and around the world. In early fall, the commission will break into technical workgroups to identify challenges, opportunities, and recommendations in three areas: structure and governance, funding, and accountability. These workgroups will be supported by facilitators and note takers from both CONTRACTOR and the Executive Office and augmented by subject matter experts. In the winter, the full commission will review recommendations from the workgroups and agree upon and prioritize a final set of recommendations.

This approach can be broken down into three distinct phases over eight meetings. The phases are as follows:

(1) Ground the commission with background information and data about Michigan's current educational system as well as domestic and international high-performing educational systems to better understand how these systems are structured, governed, funded, and held accountable.

(2) Facilitate the development of a common vision for Michigan's education system—specifically its structure and governance, funding, and accountability.

(3) Assist the commission in recommending a 21st Century Education Strategy for achieving the new vision and present this strategy to the Governor, Legislature, and State Board of Education. CONTRACTOR can provide more detail about this recommended approach when working with the Executive Office and chair to determine the final approach. Once there is a road map for the commission's work, work with the Executive Office to draft meeting agendas for review, draft meeting materials, and recruit speakers. All of this work will be done in close collaboration with the Executive Office.

Create important operational documents for both the full group and the workgroups. Ensuring that everyone understands and agrees with expectations, timelines, operation protocols, and the decision-making method is critical at the beginning of a process such as this. During the first meeting, staff from the Governor's office will establish the commission's charge, and the chair will set expectations for commissioners. Staff will aid the chair in outlining the tools and protocols the commission will use to operate effectively.

Research Support

To ensure that all commissioners have a common frame of reference when developing recommendations, provide fact sheets and research summaries for the commissioners. In collaboration with presenters and staff at the Michigan Department of Education, create brief fact sheets. These fact sheets will summarize existing information into easy-to-use reference documents. The fact sheet topics are as follows:

Education outcomes: An overview of how Michigan students perform, including how performance varies across the state and how Michigan compares to other states.

Structure and governance of Michigan's P-20 system: An overview of how Michigan structures and governs its educational system. This presentation will focus on the K-12 system as well as the bridges between K-12 and early childhood/postsecondary education.

How the system is funded: An overview of the current funding mechanisms for Michigan's K-12 system. This presentation will include current and historical data as well as an update on the status of the adequacy study (if available).

Accountability structures in Michigan's K-12 system: An overview of recent accountability structures, including a discussion of accountability under No Child Left Behind, the Elementary and Secondary Education Act waivers, and the recently passed Every Student Succeeds Act.

In addition to ensuring a common understanding of Michigan's education system, assist the commission in reviewing high-performing systems from across the country and around the world. In collaboration with the Executive Office:

Identify high performers: Identify a list of domestic and international systems to consider and will work with the chair and education advisor to determine which systems to explore with the full commission. This discussion will occur as soon as possible to allow time to recruit speakers. Based on current discussions, Contractor anticipates the commission will closely review work in Florida, Massachusetts, and Tennessee.

Recruit experts: After identifying which systems to examine, recruit experts to speak about how these systems operate. Travel expenses and honorarium for four experts has been included within the budget.

Assess similarities and differences: To help the commission compare systems, analyze the similarities and differences between Michigan and each high-performing system. This analysis will include demographic data, culture, and economic realities. Staff will present this comparison to the commission.

In addition to these specific items, work to help connect commissioners with existing resources and research to support the work of the commission.

Commissioner Input

In order to fully engage all members of the commission, draft, field, and analyze two surveys requesting feedback on the commissioner's vision for education in Michigan and how improvements in structure and governance, funding, and accountability can help achieve that vision.

To assist in developing a collective vision for Michigan's 21st century education system, send an online survey to the commissioners prior to the vision discussion to assess their personal vision for Michigan's education system and suggested strategies for implementing this vision (related to structure and governance, funding, and accountability).

The survey results will be presented during the appropriate commission meeting, along with a draft vision based on those results. The chair will then facilitate a discussion with the commissioners about the draft vision. Commissioners will be provided the draft vision in advance so they can be prepared to give feedback during the meeting. Incorporate that feedback into a second draft of the vision statement, which will be provided in advance of the following commission meeting, during which the commission will be asked to provide a final review and approval.

To assist the workgroups, administer an online survey before the first meeting to all workgroup members—including commissioners and any technical experts that participate in the workgroups—to get a sense of the challenges and opportunities they see in their particular infrastructure area.

Analyze and document the survey results for each workgroup and use them, as well as the research developed during the grounding phase, to develop a list of challenges and possible recommendations for each focus area. (Share a first draft with the Executive Office for review and feedback.) The list of challenges and draft recommendations will serve as a starting point for discussions in each workgroup.

Workgroup Facilitation

Assist in workgroup facilitation, collaborating with the Executive Office, chair, and workgroup chairs to set agendas, develop necessary materials, and staff the workgroups.

Prepare similar operations documents as were prepared for the full commission, noting that the workgroups are advisory in nature that consensus is desired but not required, and that final recommendations (which may not align with workgroup recommendations) will be made by the commission.

Workgroups will convene over the course of three commission meetings. During each meeting, commissioners will first meet jointly and then break into the three workgroups. The first time they convene, present the workgroup operations documents and the commission's vision for Michigan's 21st century education system, as well as provide a refresher on the common set of facts identified in meeting one.

Following these presentations, facilitators and the Executive Office will distribute the draft recommendations to each workgroup. Workgroup members will be provided these draft recommendations in advance so they can be prepared to give feedback during the meeting. The recommendations discussion will be iterative and collaborative, continuing through two or three commission meetings (always starting with a meeting of the full commission for an update on progress from each of workgroup chairs, then breaking into workgroups), incorporating feedback, circulating drafts, and facilitating discussion, until consensus is reached. If consensus cannot be reached, dissenting opinions will be noted (no minority reports will be allowed, however). If needed, additional experts will be invited to workgroup meetings to assist members with information requests and questions.

- 1.2.2 Contractor must provide historical work facilitator has facilitated in support of seeking and working with National Researchers (field of study and scope) and Experts (industry and technical area of expertise)
- 1.2.3 The Facilitator(s) chosen must be neutral guides to the conversation who take an active role in guiding the process while adhering to principles of effective facilitation of large, diverse groups showing no vested interest in the outcome, but ensuring a solid outcome is achieved. Good facilitators who guide this important process and complex matter is imperative to delivering a comprehensive set of recommendations and priorities.
- 1.2.4 Process Facilitator(s) may be needed for a minimum of eight full Commission meetings from June 2016 thru February 2017.
- 1.2.5 Process Facilitator(s) will be required for a minimum of three meetings as needed to support and staff four subgroups, alongside the Governor's Office and department staff. Subgroups will consist of Commission members, technical experts, and advisors from June 2016 thru February 2017.

1.3 Research Gathering and Background Briefings:

- 1.3.1 Contractor must provide technical and policy expertise to work alongside the Executive Office and departmental staff to inform the work of the Commission.
- 1.3.2 Contractor must have experience in the education field and can work alongside Commissions of this size, degree, depth and complexity.

1.4 Development of Final Recommendations:

- 1.4.1 Contractor must provide a set of final recommendations to include gathering, discussing, reviewing and finalizing the work with the Executive Office and departmental staff of the Commission and subgroups by February 28, 2017.
- 1.4.2 Contractor must have experience in developing a set of recommendations with the research and data to support the recommendations.

2. Acceptance

2.1. Final Acceptance

Final Acceptance is met when the Commission has approved the Final report and all supporting data per Section 1, Requirements by February 28, 2017.

3. Staffing

3.1. Contractor Representative

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

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

3.2. Key Personnel

3.2.1 The Contractor must appoint of the following Staff to the Contract ("Key Personnel"):

- 3.2.1.1 Staffing Support per Section 1.1
- 3.2.1.2 Facilitator(s) per Section 1.2 with experience in support of seeking and working with National Researchers (field of study and scope) and Experts (industry and technical area of expertise)
- 3.2.1.3 Research, Technical and Policy Staff per Section 1.3 including experience in the education field and can work alongside Commissions of this size, degree, depth and complexity
- 3.2.1.4 Development of Final Recommendation per Section 1.4 including experience in developing a set of recommendations with the research and data to support the recommendations
- 3.2.1.5 Contractor Representative per Section 3.1.

- Jeff Guilfoyle – Vice President will serve as Contractor's project manager/Contractor Representative, provide facilitation services for the full commission and for the finance workgroup, as well as technical and policy expertise and assistance in developing the final report and recommendations.
- Michelle Richard – Senior Consultant will provide project management and coordinate and lead internal team meeting. Assist in facilitating full commission meeting and will lead the facilitation of the structure and governance workgroup as well as providing technical and policy expertise and assist in developing the final report and recommendations.
- Melissa Gibson – Senior Consultant to serve as a facilitator if one of the three primary workgroup facilitators is unavailable or if the commission decides to add a forth workgroup. Provide research support as needed
- Annelise Huber – Consultant providing research support
- Jennifer Huisken LaPointe – Senior Consultant providing technical expertise on education topics.
- Roy Neuner – Senior Consultant will facilitate the accountability workgroup and provide research support as necessary.
- Rachel Rochefort – Executive Assistant providing project staffing support services, including aiding with meeting logistics.

3.2.2 Key Personnel must be specifically assigned to the State account, be knowledgeable on the contractual requirements, and respond to State inquires within 24 hours.

3.2.3 Contractor's Key Personnel must be on-site as required to support the Commission schedule.

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

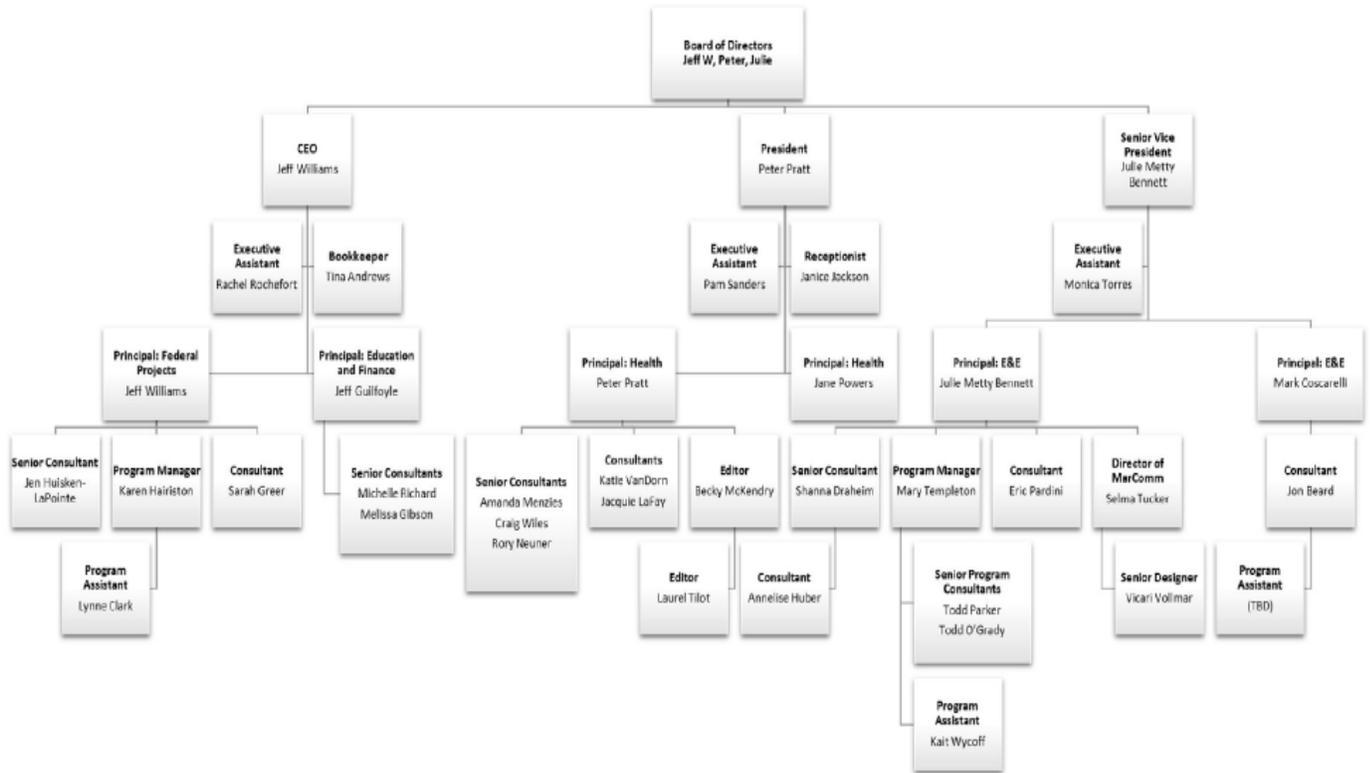
3.2.5 Contractor will not remove any Key Personnel from their assigned roles on this Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). An Unauthorized Removal does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel's employment. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to terminate this Contract for cause under Termination for Cause in the Standard Terms. It is further acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of this Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under Termination for Cause, Contractor will issue to the State the corresponding credits set forth below (each, an "Unauthorized Removal Credit"):

(i) For the Unauthorized Removal of Contractor Representative and Facilitator(s) in Sections 1.2 and 3.1 as Key Personnel designated in the applicable Statement of Work, the credit amount will be \$25,000.00 per individual if Contractor identifies a replacement approved by the State and assigns the replacement to shadow the Key Personnel who is leaving for a period of at least 30 calendar days before the Key Personnel's removal.

(ii) If Contractor fails to assign a replacement to shadow the removed Contractor Representative and Facilitator(s) Key Personnel for at least 30 calendar days, in addition to the \$25,000.00 credit specified above, Contractor will credit the State \$833.33 per calendar day for each day of the 30 calendar-day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$25,000.00 maximum per individual. The total Unauthorized Removal Credits that may be assessed per Unauthorized Removal and failure to provide 30 calendar days of shadowing will not exceed \$50,000.00 per individual.

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

3.3. Organizational Chart



3.4. Disclosure of Subcontractors

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

- 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.
- The relationship of the Subcontractor to the Contractor.
- Whether the Contractor has a previous working experience with the Subcontractor. If yes, provide the details of that previous relationship.
- A complete description of the Contract Activities that will be performed or provided by the Subcontractor.
- Of the total Contract, the price of the Subcontractor's work.

3.5. Security

The Contractor must ensure the security of State facilities.

The Contractor's staff may be required to make deliveries to or enter State facilities. The Contractor must: perform background checks

4. Project Management

4.1. Project Plan

4.1.1 Contractor must provide a project plan with the details in Section 4.1.4 to support the following time lines and Requirements in Section 1 to assist the Commission:

- Meeting Frequency: At least Monthly meetings
- Final Recommendations Due: February 28, 2017.

4.1.2 How the project plan will be managed including expected frequency and mechanisms for updates/progress reviews; process for addressing issues/changes; and individuals responsible for receiving/reacting to the requested information follows:

Type of Communication	Communication Schedule	Typical Communication Mechanism	Who Initiates	Recipient
Status reports, project review, implementation strategies, and project team decisions	Monthly	Team meeting: face-to-face or conference call	Project manager	Project team
Action list	Weekly	E-mail/face-to-face	Project manager	Project manager
Risk mitigation status	As mitigation actions are identified or completed	E-mail	Responsible team member	Project manager
Schedule changes	As changes are identified or approved	E-mail	Project manager	Project team
Progress reporting	Bi-weekly progress, monthly financial	E-mail, face-to-face monthly	Project manager	Executive Office

Project Management Approach

Contractor will assign a single project manager and lead facilitator (Jeffrey Guilfoyle), who will be responsible for accomplishing the stated project objectives and executing the grant according to the contracted terms and conditions. Contractor’s project managers follow the Project Management Body of Knowledge Guide (PMBOK) for managing projects. Key personnel (project team) will be responsible for carrying out the tasks within the project management plan. The project manager will utilize the PMBOK process guide of Initiate, Plan, Execute, Monitor, Close. The project manager will develop accountability plans, and will track and document all aspects of the project so that the project team is continuously aware of progress to plan, timelines, expectations, and project and financial performance. Below are ways in which we will manage the project schedule, implementation, budget, and documents.

Schedule control: The project manager is responsible for maintaining and reviewing the project schedule on a weekly basis. Actions will be derived by reviewing the tasks on the project plan. Actions needed to accomplish the tasks will be documented, assigned owners as appropriate, and reviewed to ensure timely completion. The weekly review will include a comparison of planned performance and actual schedule performance.

Implementation control: The implementation schedule will be the primary tool used to track and compare performance, along with the formal quarterly reporting tools required by the grant. Corrective action will be implemented when actual performance deviates from planned or required performance. Risks will be identified, and a risk mitigation plan will be developed, if required, as described below. The schedule will be modified when agreed to by the project team and the Executive Office.

Budget control: The project manager is responsible for the budget control plan. Contractor will report actual expenditures to the Executive Office on a monthly basis. The project manager and project team will follow Contractor’s internal controls process in reviewing and approving invoices and expenses.

Document management: All project team–approved documents will be stored throughout the term of the Contract, and will be available for public reference after the Contract term. A long-term storage location will be determined at the conclusion of the Contract term.

Approach to Project Risk Management

All project team members and the Executive Office are responsible for flagging risks that affect overall execution to the project manager as soon as risks are identified. Whenever possible, those who identify the risk, or are closest to the problem/solution, should develop and recommend a risk-mitigation strategy.

The project manager is responsible to the project team and Executive Office for identifying risks and developing risk-mitigation strategies for overall project execution. The project manager controls the risk-management log, communicates progress, and tracks risks to resolution.

Project Changes

Problems, issues, and changes that affect the overall project will be flagged to the project manager by the person closest to the problem or issue. Whenever possible, those who are closest to the problem or issue should develop and recommend a solution. The project manager will document problems/issues, identify a timeline for resolution, and identify the most appropriate resource to address the problem. The project manager is responsible for tracking the issue to closure, communicating the resolution, and documenting it. All changes to the project will be documented, approved, and communicated with the project team and executive office. If amendments are required, Contract amendments will be processed immediately.

Communication, Tracking, and Reporting Plans

The project manager is responsible for the communication, tracking, and reporting plans. The primary types of communication methods are described in the above table in this Section.

4.1.3 The Contractor will carry out this project under the direction and control of the Program Manager.

4.1.4 Within 7 calendar days of the Effective Date, the Contractor must submit a project plan to the Program Manager for final approval. The plan must include: (a) the Contractor's organizational chart with names and title of personnel assigned to the project, which must align with the staffing stated in accepted proposals; and (b) the project breakdown showing sub-projects, tasks, and resources required.

4.2. Meetings

The Contractor must attend the following meetings:

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

4.3. Reporting

1, Bi-weekly project status reports identifying milestones completed, updates/progress reviews; issues/changes; costs to date and any anticipated costs to complete Contract Activities. .

5. Invoice and Payment

5.1. Invoice Requirements

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

5.2. Payment Methods

The State will make payment for Contract Activities via Electronic Funds Transfer (EFT).

6. Liquidated Damages

Late or improper completion of the Contract Activities beyond Contractor's control or without their fault or negligence 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 \$15,000 and an additional \$5,000 per day for each day Contractor fails to remedy the late or improper completion of the Work in Section 1.4 (Development of Final Recommendations).

STATE OF MICHIGAN

Contract No.071B660086
Contract Change Request No. 1
Professional Staffing Services for 21st Century Education Commission

**EXHIBIT B
RESERVED**

STATE OF MICHIGAN

Contract No.071B660086
 Contract Change Request No. 1
 Professional Staffing Services for 21st Century Education Commission

EXHIBIT C PRICING

1. Price proposals 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).
2. Price Table

Staffing (1)	Price Per Hour	Estimated Hours	Total Price
1. Staffing Support (Exhibit A, Section 1.1)	\$	809	\$158,264
Becky McKendry	\$80	86	\$6,880
Jeffrey Guilfoyle	\$195	246	\$47,970
Jennifer Huisken LaPointe	\$175	55	\$9,265
Michelle Richard	\$155	382	\$59,210
Rachel Rochefort	\$80	24	\$1,920
Vicari Vollmar	\$85	16	\$1,360
Direct Expense (Food for meetings)			\$9,600
Direct Expense (Travel – out of town speakers)			\$15,000
Direct Expense (Travel – UP Commissioner)			\$6,700
2. Facilitator(s) (Exhibit A, Section 1.2)		246	\$39,690
Jeffrey Guilfoyle	\$195	92	\$17,940
Melissa Gibson	\$135	16	\$2,160
Michelle Richard	\$155	98	\$15,190
Rory Neuner	\$130	24	\$3,120
Rachel Rochefort	\$80	16	\$1,280
Staffing (1)	Price Per Hour	Estimated Hours	Total Price

3. Research (Exhibit A, Section 1.3)		220	\$39,860
3.1 Technical and Policy Expertise			
Jeffrey Guilfoyle	\$195	80	\$15,560
Michelle Richard	\$155	16	\$2,480
3.2 Research and Data Analytics			
Jeffrey Guilfoyle	\$195	64	\$12,480
Michelle Richard:	\$155	60	\$9,300
4. Development of Final Recommendations (2)		230	\$34,750
Becky McKendry	\$80	20	\$1,600
Jeffrey Guilfoyle	\$195	50	\$9,750
Michelle Richard	\$155	150	\$21,700
Vicari Vollmar	\$85	20	\$1,700
		Grand Total	\$272,565

Notes:

- (1) Development of Final Recommendations will be based upon fixed price deliverable. All other prices will be variable unit prices up to the not-to-exceed Total Price unless authorized via a Contract Change Notice.



**STATE OF MICHIGAN
ENTERPRISE PROCUREMENT**

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

NOTICE OF CONTRACT

NOTICE OF CONTRACT NO. **071B6600086**

between
THE STATE OF MICHIGAN
and

CONTRACTOR	Public Sector Consultants
	230 N. Washington Square, Suite 300
	Lansing, MI 48933
	Julie Metty Bennett
	(517) 484-4954
	jbennett@pscinc.com
	0429

STATE	Program Manager	Claire Khouri	GOV
		(517) 335-9079	
		KhouriC@michigan.gov	
	Contract Administrator	Michael Kennedy	DTMB
		(517) 284 6397	
		KennedyM6@michigan.gov	

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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 #007116B0007863. Orders for delivery will be issued directly by Departments through the issuance of a Purchase Order.			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			\$278,805.00



STATE OF MICHIGAN

STANDARD CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and Public Sector Consultants, INC (“**Contractor**”), a Michigan Corporation]. This Contract is effective on May 25, 2016] (“**Effective Date**”), and unless terminated, expires on November 30, 2016.

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, **as specified in all exhibits and the terms and conditions.**

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 (reasonable wear and tear expected); (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: Michael Kennedy 525 W. Allegan, 1 st FLR, NE Lansing, Michigan 48909-7526 Kennedym6@michigan.gov 517-284-6397	If to Contractor: Julie Metty Bennett Senior Vice President Public Sector Consultants 230 N. Washington Square, Suite 300 Lansing, MI 48933 jbennett@pscinc.com (517) 484-4954
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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: Michael Kennedy 525 W. Allegan, 1 st FLR, NE Lansing, Michigan 48909-7526 Kennedym6@michigan.gov 517-284-6397	Contractor: Julie Metty Bennett Senior Vice President Public Sector Consultants 230 N. Washington Square, Suite 300 Lansing, MI 48933 jbennett@pscinc.com (517) 484-4954
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The Contract Administrator for a party may be changed upon written notice to the other party

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: Claire Khouri 525 W. Allegan, 3 rd FLR, NE Lansing, Michigan 48909-7526 KhouriC@michigan.gov 517-335-9079	Contractor: Julie Metty Bennett Senior Vice President Public Sector Consultants 230 N. Washington Square, Suite 300 Lansing, MI 48933 jbennett@pscinc.com (517) 484-4954
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The Program Manager for a party may be changed upon written notice to the other party

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 (if specified in Exhibit A) to 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.	
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).

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, but reasonable 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 if the State has reasonable cause to recommend such removal or reassignment.
12. **Background Checks.** Upon request, Contractor must perform background checks on all employees and subcontractors and its employees prior to their assignment. The scope is at the discretion of the State and documentation must be provided as requested. 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 immediately, 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. **Reserved.**

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 does not notify Contractor, the State shall be deemed to accept the Contract Activities. If the State finds material deficiencies, resulting from Contractor's performance 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.** Contractor must deliver all Contract Activities F.O.B. destination, within the State premises with transportation and handling charges paid by Contractor, unless otherwise specified in Exhibit A. All containers and packaging becomes the State's exclusive property upon acceptance.

18. **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. The Contractor may terminate this Contract for cause, in whole or in part, if the State fails to cure a breach within the reasonable time stated in a notice of breach.

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

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

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

25. Transition Responsibilities. Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 90 calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without

interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.

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

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

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

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

- 27. Infringement Remedies.** If, in either party's opinion, any piece of equipment, software, commodity, or service supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment, software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.
- 28. Limitation of Liability.** The State is not liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.
- 29. Disclosure of Litigation, or Other Proceeding.** Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor staff assigned to Contract, 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. However, the State’s legal ability to destroy Contractor data may be restricted by its retention and disposal schedule, in which case Contractor’s Confidential Information will be destroyed after the retention period expires.

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 independent third-party audit of its data privacy and information security program and provide such audit findings to the State.
- 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. **State Printing.** All printing in Michigan must be performed by a business that meets *one* of the following: (a) have authorized use of the Allied Printing Trades Council union label in the locality in which the printing services will be performed; (b) have on file with the Michigan Secretary of State, a sworn statement indicating that employees producing the printing are receiving prevailing wages and are working under conditions prevalent in the locality in which the printing services will be performed; or (c) have a collective bargaining agreement in effect and the employees are represented by an operations that is not influenced or controlled by management.
42. **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.
43. **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.
44. **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.
45. **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.
46. **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.
47. **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.

48. **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.
49. **Website Incorporation.** The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.
50. **Entire Agreement and Order of Precedence.** This Contract, which includes Exhibit A – Statement of Work, and expressly incorporated schedules and exhibits, is the entire agreement of the parties related to the Contract Activities. This Contract supersedes and replaces all previous understandings and agreements between the parties for the Contract Activities. If there is a conflict between documents, the order of precedence is: (a) first, this Contract, excluding its schedules, exhibits, and Exhibit A – Statement of Work; (b) second, Exhibit A – Statement of Work as of the Effective Date; and (c) third, exhibits and schedules expressly incorporated into this Contract as of the Effective Date. NO TERMS ON CONTRACTOR'S INVOICES, ORDERING DOCUMENTS, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE CONTRACT ACTIVITIES WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE, EVEN IF ACCESS TO OR USE OF THE CONTRACT ACTIVITIES REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.
51. **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.
52. **Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
53. **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.
54. **Contract Modification.** This Contract may not be amended except by signed agreement between the parties (a "Contract Change Notice"). Notwithstanding the foregoing, no subsequent Statement of Work or Contract Change Notice executed after the Effective Date will be construed to amend this Contract unless it specifically states its intent to do so and cites the section or sections amended.

STATE OF MICHIGAN

Contract No. 071B6600086
Professional Staffing Services for 21st Century Infrastructure Commission

EXHIBIT A STATEMENT OF WORK CONTRACT ACTIVITIES

PROJECT REQUEST

This is a Contract for Professional Staffing Services to provide general administration, facilitation, data analytics, research and report development on behalf of the 21st Century Infrastructure Commission. Due to the short timeline of seven months to organize, staff, inform and facilitate each meeting so that recommendations can be fully developed and presented by November 30, 2016 professional staffing is needed. The purposes of professional staff include assistance with: logistics, communication, meeting planning and facilitation of Commission meetings. Additionally, background information, data, technical expertise and research will be needed to understand the current landscape, assets and needs of infrastructure in Michigan to inform Commission meetings, discussions and decisions.

BACKGROUND

On March 10, 2016 Governor Rick Snyder issued Executive Order 2016-5 which created the 21st Century Infrastructure Commission (see http://www.michigan.gov/documents/snyder/EO_2016-5_516714_7.pdf for related Commission goals). The 27 member Commission will develop a comprehensive, long-term vision that guides strategic infrastructure planning, investment and prioritization in Michigan and present recommendations for achieving this vision to Governor Snyder and the Legislature by November 30, 2016. The Commission will identify current condition and future needs, as well benchmark to other leading states and nations, and create a strategy for implementation. The focus of the commission will be on a transport system for moving goods and people, water and sewer, wastewater treatment and drainage, energy, communications, and other services.

2. REQUIREMENTS

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

- 2.1 Staffing Support: Staffing Support must be provided to work alongside the Executive Office for all logistics and communication, meeting planning, material, information & agenda development, managing & support at commission meetings, compilation of meeting summaries, along with planning and communication with the Governor's staff, department directors and staff, and commission members as needed in between and in preparation for meetings.
- 2.2 Process and Meeting Facilitation: A Facilitator may need to be provided for several stages including pre-work, facilitating Commission meetings, and following up with Commission members as needed and organizing various national researchers and experts to speak before the Commission. The Infrastructure Commission will bring together 27 leaders from various industries to discuss one of the most pressing matters impacting the state of Michigan, our infrastructure. The Commission will develop recommendations for a 21st century Infrastructure Strategy. In order to ensure the Commission puts forward the most solid list of recommendations possible, superb meeting facilitation is a must.
 - 2.2.1 Contractor must provide; at a minimum; plan for pre-work, facilitating styles employed, and process intended to support follow up with Commission members.

Phase 1: Grounding (May–July)

During its June meeting, the commission will be grounded in the information they need to make the body function smoothly and make recommendations. There will be two sets of grounding documents: one that focuses on the operations of the commission and another that provides critical background information to make sound and informed recommendations. Contractor will send all documents to the state and commission co- chairs for review before distribution to the full commission. Commissioners will receive documents in advance of the meeting using a Web-based file sharing system so that commissioners can easily access the information..

Commission Operations Documents

Ensuring everyone is on the same page about expectations, meeting process, timeline, operation protocols, and the decision-making method is critical at the beginning of a process such as this. To that end, the Contractor will prepare the following documents in advance of the meeting:

- Governor's charge: Describes what the Governor has asked this commission to do, as described in the executive order.
- Meeting process flowchart: A visual representation of the major topics that will be covered at each meeting and the information that will be provided to support each meeting.
- Commission responsibilities and procedures: Describes the responsibilities of the commissioners, the operating procedures, guidelines for discussions and finalizing recommendations/reaching consensus, and the meeting schedule.
- Who's who: Lists everyone involved in the commission and their role.

Background Briefing Documents

To ensure that all commissioners have a common frame of reference when they begin developing recommendations, PSC will develop the following briefing documents:

- Summary of similar infrastructure strategic planning efforts: A summary of successful infrastructure strategic planning efforts in the areas of transportation (including mobility), water and sewer, wastewater treatment and drainage, energy, communications. Particular attention will be paid to efforts that (1) were compressive in nature, bringing together a variety infrastructure components for all-inclusive strategic asset management; (2) included a vision to guide prioritization; and (3) prioritized infrastructure needs over a long time period (30–50 years).
- Coordination and long-term planning: A best practice assessment of methods to incentivize and encourage coordinated and long-term asset planning and management among infrastructure types and levels of government.
- Infrastructure funding: A summary of commonly used and innovative methods for funding infrastructure assets, with an emphasis on public-private partnerships.
- Rapid response research: At their June meeting, commissioners will be given the opportunity to identify research and information needs they have to be able to fulfill their charge. The Contractor will respond to a limited number of these requests with two- to three-page, quick-turn research briefs.

Grounding Meeting

The proposed agenda for the June grounding meeting includes explanation of commissioner responsibilities and procedures by Chairman Weiner, as well as the following presentations:

- State agencies present the current condition of Michigan's infrastructure and future needs.
- State agencies present the current regulatory framework for Michigan's infrastructure, as well as how they are currently funded.
- The Contractor presents similar successful infrastructure strategic planning efforts in the areas of transportation (including mobility), water and sewer, wastewater treatment and drainage, energy, communications.
- The Contractor presents best practice reports on methods to incentivize and encourage coordinated and long-term asset planning and management among infrastructure types and levels of government

- The Contractor provides commonly used and innovative methods for funding infrastructure assets, with an emphasis on public-private partnerships.

Phase 2: Recommendations (July–November)

Following the June grounding meeting, the commission will break into technical workgroups. There is estimated to be four workgroups: Transportation, Water/Sewer/Wastewater/Drainage, Energy/Communications, and Finance/Policy. In advance of the first set of workgroup meetings, the Contractor will ask commissioners in which group they would like to serve, as well as suggestions for additional technical experts we should invite to participate. Based on that information, the Contractor will work with the state and commission co-chairs to create four workgroups of ten to 12 people each, ensuring there is a balance in terms of the number of commissioners, as well as workgroup member perspectives and expertise. The workgroups will be chaired by a commissioner (selected by the state and chair). The Contractor will provide two staff members to attend each workgroup meeting to facilitate and take notes. All eight of the Contractor's staff that are assisting the workgroups will meet collectively outside of the workgroup meetings to compare notes, identify overlap and gaps, and discuss cross-cutting issues (e.g., recommendations for collaboration across infrastructure types).

Once the workgroups are formed, and prior to their first meeting, The Contractor will prepare similar operations documents as were prepared for the commission, only noting that the workgroups are advisory in nature, consensus is desired but not required, and that final recommendations (which may not align with workgroup recommendations) will be made by the commission. The Contractor will also administer an online survey before the first meeting to all the workgroup members to get a sense of the challenges and opportunities they see in their particular infrastructure area. The Contractor will ask the following questions:

- What are the current challenges that you see facing [your workgroup's infrastructure area or the financing/governance of infrastructure]?
- What do you see on the horizon that may pose new challenges for [your workgroup's infrastructure area or the financing/governance of infrastructure]?
- What types of infrastructure projects could address the current and future challenges you identified in the previous questions?
- What changes could be made to the way in which we plan for, manage, and/or finance infrastructure in Michigan that could address the current and future challenges you identified in the previous questions?

The Contractor will analyze and document the survey results by workgroup, and use them and the research developed during the grounding phase to develop draft recommendations on priority project types and improvements to infrastructure planning, managing, and financing. Four different sets of recommendations will be developed, one for each infrastructure type/workgroup. We envision the recommendations will be divided into the following sections: Priority project types, coordination among infrastructure areas, government collaboration, funding, and infrastructure evaluation information technology.

The workgroups will convene during the monthly commission meetings in July, August, and September. During each meeting, commissioners will first meet jointly and then break into the four workgroups. The first time they convene (during the July commission meeting), the Contractor will present the workgroup operations documents, and the briefing documents on (1) successful infrastructure strategic planning efforts, (2) methods to encourage coordinated and long-term asset

planning and management among infrastructure types and levels of government, and (3) commonly used and innovative methods for funding infrastructure assets. This will serve as a refresher for the commissioners on the workgroups, and important grounding information for the rest of the workgroup members. The Contractor will also present the findings from the challenges and solutions survey for each infrastructure type.

Following these presentations, the Contractor will distribute the draft recommendations to each workgroup. As indicated above, we anticipate the recommendations will be divided into the following sections: priority project types, coordination among infrastructure areas, government collaboration, funding, and infrastructure evaluation information technology. Regarding priority project types, it is important to note that we do not envision the workgroups to recommend specific infrastructure projects. Given the time and resources available, types of infrastructure by geography is as specific as possible (e.g., repair bridges along I-94, increase broadband availability in all Michigan cities, replace all lead service lines statewide, etc.). Workgroup members will be provided these draft recommendations in advance of the meeting so they can be prepared to give feedback during the meeting. The recommendations discussion will be iterative and collaborative, continuing through the fifth and sixth commission meetings (always starting with a meeting with the full commission for an update on workgroup progress from each of workgroup chairs, then breaking into workgroups), with PSC incorporating feedback, circulating drafts, and facilitating discussion, until consensus is reached. If consensus cannot be reached, dissenting opinions will be noted (no minority reports allowed, though). If needed, subject matter experts will be invited to workgroup meeting to assist members with information requests and questions.

Workgroup recommendations will be taken to the full commission during the October commission meeting. Again, an iterative and collaborative process will be led by the Contractor to review, discuss, and refine the recommendations until consensus is reached. If consensus cannot be reached, dissenting opinions will be noted in the final report (no minority reports allowed, though). This process will continue during the November commission meeting, when the final 21st Century Infrastructure Strategy will be reviewed and approved. An electronic copy of the final report containing the commission's recommendations will be provided to the Governor and the Legislature.

- 2.2.2 Contractor must provide historical work facilitator has facilitated in support of seeking and working with National Researchers (field of study and scope) and Experts (industry and technical area of expertise)
- 2.2.3 The Facilitator(s) chosen must be neutral guides to the conversation who take an active role in guiding the process while adhering to principles of effective facilitation of large, diverse groups showing no vested interest in the outcome, but ensuring a solid outcome is achieved. Good facilitators who guide this important process and complex matter is imperative to delivering a comprehensive set of recommendations and priorities.
- 2.2.4 Process Facilitator(s) may be needed for a minimum of four full Commission meetings from May 2016 or sooner thru November 2016.
- 2.2.5 Process Facilitator(s) will be required for a minimum of three meetings as needed to support and staff four subgroups, alongside the Governor's Office and department staff. Subgroups will consist of Commission members, technical experts, and advisors from May 2016 or sooner thru November 2016.

1.3 Research Gathering and Background Briefings:

- 1.3.1 Contractor must provide technical and policy expertise to work alongside the Executive Office and departmental staff to inform the work of the Commission.

- 1.3.2 Contractor must provide research and data that will need to be identified, compiled and presented to the Commissioners in a format that is easily digestible and non-technical by close-of-business on Friday before next Commission meeting.
- 1.3.3 Contractor must have experience in the infrastructure field and can work alongside Commissions of this size, degree, depth and complexity.

1.4 Development of Final Recommendations:

- 1.4.1 Contractor must provide a set of final recommendations to include gathering, discussing, reviewing and finalizing the work with the Executive Office and departmental staff of the Commission and subgroups no later than November 30, 2016.
- 1.4.2 Contractor must have experience in developing a set of recommendations with the research and data to support the recommendations.

2. Acceptance

2.1. Final Acceptance

Final Acceptance is met when the Commission has approved the Final report and all supporting data per Section 1, Requirements by November 30, 2106.

3. Staffing

3.1. Contractor Representative

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

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

Senior Vice President Julie Metty Bennett will service as the Contract Representative.

3.2. Key Personnel

3.2.1 The Contractor must appoint of the following Staff to the Contract ("Key Personnel"):

- 3.2.1.1 Staffing Support per Section 1.1
- 3.2.1.2 Facilitator(s) per Section 1.2 with experience in support of seeking and working with National Researchers (field of study and scope) and Experts (industry and technical area of expertise)
- 3.2.1.3 Research, Technical and Policy Staff per Section 1.3 including experience in the infrastructure field and can work alongside Commissions of this size, degree, depth and complexity
- 3.2.1.4 Development of Final Recommendation per Section 1.4 including experience in developing a set of recommendations with the research and data to support the recommendations
- 3.2.1.5 Contractor Representative per Section 3.1.
 - Julie Metty Bennett - Senior vice president will serve as PSC project manager/Contractor Representative, provide meeting facilitation services for the full commission and the energy/communications workgroup, provide research/technical/policy expertise, and assist in developing the final report and recommendations.
 - Senior policy fellow Ken Sikkema, vice president Mark Coscarelli, and senior consultant Shanna Draheim will facilitate the finance/policy, water, and transportation workgroups, respectively; provide research/technical/policy expertise; and assist in developing the final report and recommendations.
 - Senior consultant Rory Neuner and consultants Jon Beard, Annelise Huber, and Eric Pardini will provide staffing support and research services as well as assist in developing the final report and recommendations.
 - Executive assistant Monica Torres will provide staffing support services.
 - Senior policy fellow Chuck Hersey will serve as a special advisor on the project.

3.2.2 Key Personnel must be specifically assigned to the State account, be knowledgeable on the contractual requirements, and respond to State inquiries within 24 hours.

3.2.3 Contractor's Key Personnel must be on-site as required to support the Commission schedule.

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

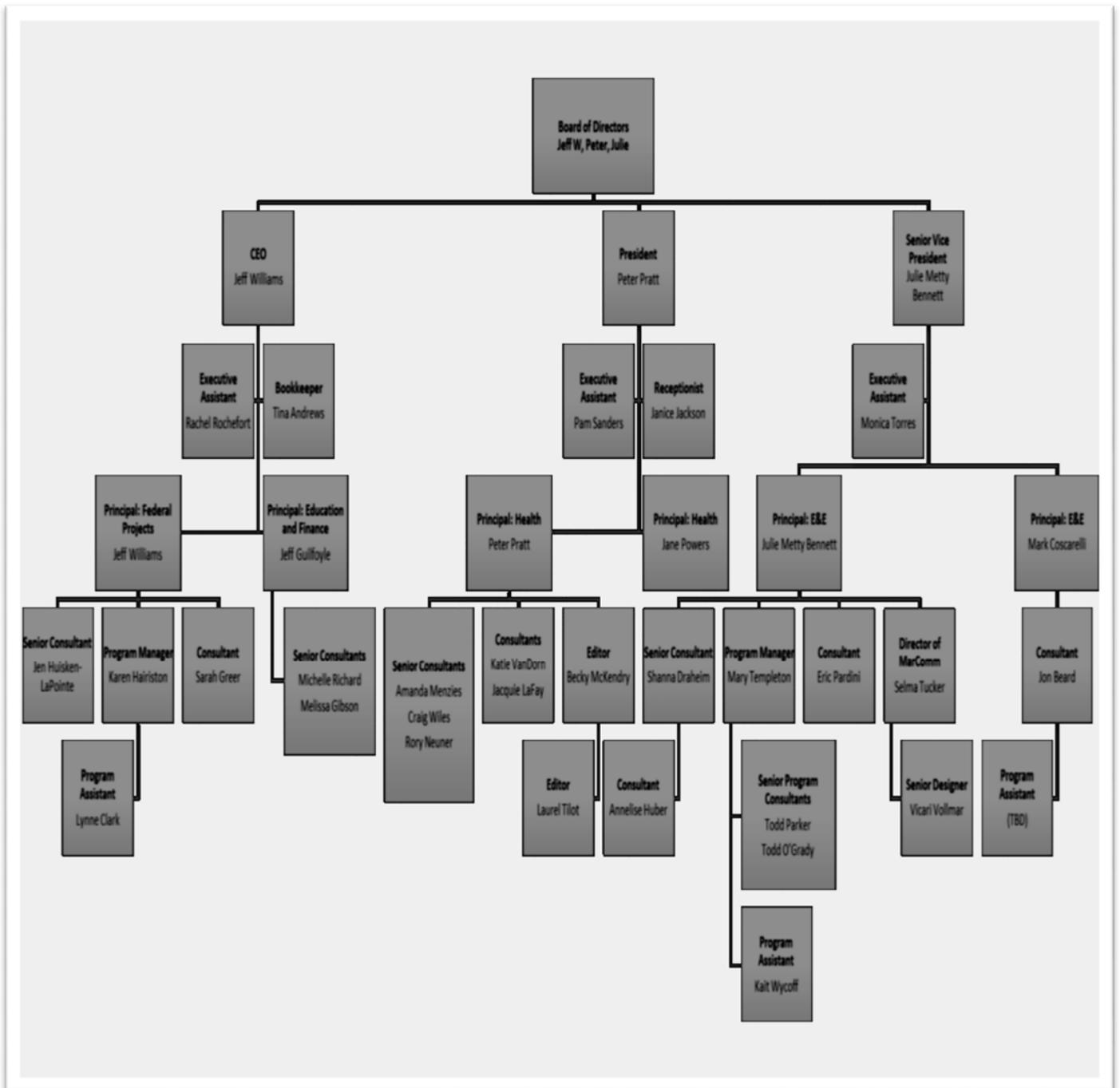
3.2.5 Contractor will not remove any Key Personnel from their assigned roles on this Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). An Unauthorized Removal does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel's employment. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to terminate this Contract for cause under Termination for Cause in the Standard Terms. It is further acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of this Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under Termination for Cause, Contractor will issue to the State the corresponding credits set forth below (each, an "Unauthorized Removal Credit"):

(i) For the Unauthorized Removal of Contractor Representative and Facilitator(s) in Sections 1.2 and 3.1 as Key Personnel designated in the applicable Statement of Work, the credit amount will be \$25,000.00 per individual if Contractor identifies a replacement approved by the State and assigns the replacement to shadow the Key Personnel who is leaving for a period of at least 30 calendar days before the Key Personnel's removal.

(ii) If Contractor fails to assign a replacement to shadow the removed Contractor Representative and Facilitator(s) Key Personnel for at least 30 calendar days, in addition to the \$25,000.00 credit specified above, Contractor will credit the State \$833.33 per calendar day for each day of the 30 calendar-day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$25,000.00 maximum per individual. The total Unauthorized Removal Credits that may be assessed per Unauthorized Removal and failure to provide 30 calendar days of shadowing will not exceed \$50,000.00 per individual.

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

3.3. Organizational Chart



3.4. Disclosure of Subcontractors

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

- 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.
- The relationship of the subcontractor to the Contractor.
- Whether the Contractor has a previous working experience with the subcontractor. If yes, provide the details of that previous relationship.
- A complete description of the Contract Activities that will be performed or provided by the subcontractor.
- Of the total price, the price of the subcontractor’s work.

3.4.2 Subcontractors

1. Ken Sikkema, Mr. Sikkema is an individual/proprietor of a single member LLC. Mr. Sikkema may assist in facilitating the full commission meetings and facilitating the finance/policy workgroup, provide strategic counsel, and provide policy expertise. There is \$17,300 in the project budget for his services.
2. Chuck Hersey . Mr. Hersey is an individual/proprietor of a single member LLC. Chuck will provide strategic counsel and policy/technical expertise as needed. There is \$1,980 in the project budget for his services.
3. Additional subject matter experts will be identified at a later date. There is \$14,500 in the project budget for these services.

3.5. Security

The Contractor must adhere to security measures in place to ensure the security of State facilities. The Contractor’s staff may be required to make deliveries to or enter State facilities. The Contractor must:

- (a) be familiar with State security procedures and ensure compliance with all requirements pertaining to identification and presence in State buildings.
- (b) Contractor must perform background checks for all new hires.
- (c) Where appropriate, employees will use State issued identification.
- (d) Background checks to be performed by First Advantage.

4. Project Management

4.1. Project Plan

4.1.1 Contractor’s draft project plan to support the following time lines and Requirements in Section 1 to assist the Commission:

- Meeting Frequency: Monthly meetings
- Final Recommendations Due: November 30, 2016.

4.1.2 The project plan will be managed including expected frequency and mechanisms for updates/progress reviews; process for addressing issues/changes; and individuals responsible for receiving/reacting to the requested information.

Type of Communication	Communication Schedule	Typical Communication Mechanism	Who Initiates	Recipient
Status reports, project review, implementation strategies, and project team decisions	Monthly	Team meeting: face-to-face or conference call	Project manager	Project team
Action list	Weekly	E-mail/face-to-face	Project manager	Project manager

Risk mitigation status	As mitigation actions are identified or completed	E-mail	Responsible team member	Project manager
Schedule changes	As changes are identified or approved	E-mail	Project manager	Project team
Progress reporting	Bi-weekly progress, monthly financial	E-mail, face-to-face monthly	Project manager	Executive Office

4.1.3 The Contractor will carry out this project under the direction and control of the Program Manager.

4.1.4 Within 7 calendar days of the Effective Date, the Contractor must submit a project plan to the Program Manager for final approval. The plan must include: (a) the Contractor's organizational chart with names and title of personnel assigned to the project, which must align with the staffing stated in accepted proposals; and (b) the project breakdown showing sub-projects, tasks, and resources required.

4.2. Meetings

The Contractor must attend the following meetings:

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

4.3. Reporting

1. Contractor must provide bi-weekly project status reports identifying milestones completed, updates/progress reviews; issues/changes; costs to date and any anticipated costs to complete Contract Activities.

5. Invoice and Payment

5.1. Invoice Requirements

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

5.2. Payment Methods

The State will make payment for Contract Activities via Electronic Funds Transfer (EFT).

6. Liquidated Damages

Late or improper completion of the Contract Activities beyond Contractor's control or without their fault or negligence 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 \$15,000 and an additional \$5,000 per day for each day Contractor fails to remedy the late or improper completion of the Work in Section 1.4 (Development of Final Recommendations).

STATE OF MICHIGAN

Contract No. 071B6600086
21st Century Infrastructure Commission

EXHIBIT C PRICING

3. Price proposals 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).
4. Quick payment terms: _____ % discount off invoice if paid within _____ days after receipt of invoice.

Bidder Response:

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5. Price Table

Staffing (1)	Price Per Hour	Estimated Hours	Total Price
1. Staffing Support (Exhibit A, Section 1.1)		1008	\$123,785.00
Annelise Huber	\$75.00	89	\$6,675.00
Becky McKendry	\$80.00	116	\$9,280.00
Chuck Hersey	\$180.00	3	\$540.00
Eric Pardini	\$85.00	144	\$12,240.00
Jon Beard	\$95.00	74	\$7,030.00
Julie Metty Bennett	\$260.00	80	\$20,800.00
Ken Sikkema	\$250.00	22	\$5,500.00
Mark Coscarelli	\$195.00	75	\$14,625.00
Monica Torress	\$80.00	170	\$13,600.00
Rory Neuner	\$130.00	50	\$6,500.00
Shanna Draheim	\$155.00	71	\$11,005.00
Selma Tucker	\$145.00	30	\$4,350.00
Vicari Volmar	\$85.00	84	\$7,140.00
Direct Expense (Food for Meetings)			\$4,500.00
2. Facilitator(s) (Exhibit A, Section 1.2)		222	\$48,350.00
Julie Metty Bennett	\$260.00	80	\$20,800.00
Ken Sikkema	\$250.00	52	\$11,800.00
Mark Coscarelli	\$195.00	45	\$8,775.00
Shanna Draheim	\$155.00	45	\$6,975.00
3. Research (Exhibit A, Section 1.3)		373	\$71,610.00
3.1 Technical and Policy Expertise			
Julie Metty Bennett	\$260.00	47	\$12,220.00
Shanna Draheim	\$155.00	160	\$24,800.00
Mark Coscarelli	\$195.00	38	\$7,410.00
Chuck Hersey	\$180.00	8	\$1,440.00
Direct Expense (Subject Matter Experts)			\$14,500.00
3.2 Research and Data Analytics			
Annelise Huber	\$75.00	12	\$900.00
Eric Pardini	\$85.00	34	\$2,890.00
Jon Beard	\$95.00	62	\$5,890.00

Rory Neuner	\$130.00	12	\$1,560.00
4. Development of Final Recommendations (2)		272	\$35,060.00
Julie Metty Bennett	\$260.00	42	\$10,920.00
Mark Coscarelli	\$195.00	10	\$1,950.00
Shanna Draheim	\$155.00	34	\$5,270.00
Rory Neuner	\$130.00	10	\$1,300.00
Eric Pardini	\$85.00	70	\$5,950.00
Annelise Huber	\$75.00	38	\$2,850.00
Selma Tucker	\$145.00	20	\$2,900.00
Becky McKendry	\$80.00	32	\$2,560.00
Vicari Volmar	\$85.00	16	\$1,360.00
		Grand Total	\$278,805.00

Notes:

- (2) Development of Final Recommendations will be based upon fixed price deliverable. All other prices will be variable unit prices up to the not-to-exceed Total Price unless authorized via a Contract Change Notice.