STATE OF MICHIGAN
ENTERPRISE PROCUREMENT

Department of Education
608 W. ALLEGAN ST., LANSING, MICHIGAN 48933
P.O. BOX 30008, LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **1**
to
Contract Number **180000000765**

CONTRACTOR	
	HighScope Educational Research Foundation 600 N. River Street Ypsilanti, MI 48198
	Iheoma Iruka
	734-485-2000 ext 264
	iiruka@highscope.org
	C****7548

STATE			
	Program Manager	Joy Milano	OGS
		517-241-6997	
		MilanoJ@michigan.gov	
	Contract Administrator	Ruth Thole	OFM
		517-241-2170	
		TholeR@michigan.gov	

CONTRACT SUMMARY			
Validation Study for Great Start to Quality Program			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
06/01/2018	12/31/2018	One 1-year	12/31/2018
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45 Days		NA	
MINIMUM DELIVERY REQUIREMENTS			
NA			
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
☐ P-card ☐ Payment Request (PRC) ☐ Other			☐ Yes ☒ No

DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☒	4 Months	☐		04/30/2019

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$1,096,661.00	$99,943.00	$1,196,604.00

Effective January 2, 2019, the following changes are made to this Contract:

1. Four months of the available one-year option is hereby exercised and the contract expiration date is revised to April 30, 2019.
2. The contract value is increased by $99,943.00
3. The following amendment is incorporated into this Contract per the attached Schedule A - Additional Statement of Work and Schedule B - Additional Pricing. This amendment changes Schedule A; Section 2. Requirements and adds deliverable and pricing to Schedule B.

All other terms, conditions, specifications, and pricing remain the same.

Per contractor and agency agreement.

Amendment to Contract 180000000765

Schedule A - Additional Statement of Work

OVERVIEW OF THE PROJECT

Classroom Assessment Scoring System Pre-K (CLASS) is an observational assessment of the quality of teacher-child interactions. CLASS domains include Emotional Support (i.e., positive climate, negative climate, teacher sensitivity, and regard for student perspectives), Instructional Support (i.e., quality of feedback and language modeling as well as concept development), and Classroom Organization (i.e., behavior management, productivity, and instructional learning formats). Each dimension is rated from 1 to 7, with higher scores indicating higher quality. CLASS is commonly used to observe quality within the Quality Rating and Improvement System (QRIS) for center-based programs.

In 2018, legislation allowed CLASS to be used in Great Start to Readiness Program (GSRP). The Department of Education (MDE) is exploring whether all Great Start to Quality (GSQ) participating programs should be allowed to use CLASS as well. However, MDE has not determined a process by which to integrate these new data into the scoring rubric for GSQ; and is seeking best practices for integrating CLASS scores into Michigan's Tiered QRIS for GSQ.

SCOPE OF WORK

The Contractor will inform MDE about current and best practices in using CLASS within QRIS, and make recommendations about how to integrate CLASS into GSQ. The following tasks will be completed:

1. **Analyze Quality Compendium**. Task 1 will consist of an analysis of the Quality Compendium to inform MDE about how other states use CLASS as part of QRIS. The compendium is a catalog and comparison of quality initiatives, including QRIS, created to promote thoughtful design, analysis, and ongoing improvement in early care and education systems building. The compendium is populated by QRIS administrators in each state and includes information on QRIS participation, ratings, funding, financial incentives, technical assistance, observational tools, evaluation, public awareness, data systems, indicators for both centers and home- or family-based child care providers, and resources and links to additional information on each QRIS. The Contractor will conduct three related analyses of data in the Quality Compendium to understand (1) which states currently use CLASS and how they integrate CLASS into QRIS; (2) which states currently use two or more observational measures of quality (e.g., ERS and CLASS); and (3) which states use a system that is strategically focused on continuous quality improvement (CQI), especially those that integrate CLASS within the CQI system. Each subtask is described in more detail below.

    1.1. ***Identify states that currently use CLASS as part of QRIS.*** The Contractor will review data in the Quality Compendium to identify states that currently use CLASS as part of QRIS. The review will provide a list of states that use CLASS as well as details about how they use the measure and how they integrate it into their ratings. The Contractor will also examine how similar GSQ is to each QRIS that uses CLASS. This approach will identify any gaps that CLASS may fill for MDE or acknowledge strengths of GSQ compared with other systems. The Contractor will examine and provide detailed information about how states use CLASS; and inform MDE as it creates standards and cut scores for CLASS within GSQ.

    1.2. ***Identify states that use more than one independent observation of quality in QRIS***. The Contractor will examine which states currently use more than one independent observation of quality as part of QRIS. The Quality Compendium will be reviewed to document states that currently use two or more observational protocols and how they approached two sets of cut scores on the different measures. Detailed information about how states approach both tools will be included in the final report.

    1.3. ***Identify states that use a system that is strategically focused on continuous quality improvement (CQI), especially those that integrate CLASS into the CQI system.*** The Contractor will examine the Quality Compendium to identify states that use CQI as part of QRIS and describe how CQI is included and integrated in QRIS and the role of CLASS in CQI. The Contractor will provide a list of all states that use a CQI approach, giving special attention to how states use the CLASS data to guide program quality improvement.

2. **Analyze Existing CLASS Data Collected as Part of the GSQ Validation Study.** The Contractor will examine the CLASS data collected as part of the *GSQ Validation Study* to identify potential cut scores for use in MDE's QRIS. It is anticipated that CLASS data will be available for approximately 110 preschool classrooms representing 65 center-based programs across the state. The CLASS data will be analyzed descriptively to identify the distribution of scores by CLASS domain to identify possible cut scores. The Contractor will consider each (reasonable) cut score, present both the proportion of sites that would meet this cut score and align the cut score with other states using this score. These descriptive analyses will inform a set of recommendations for MDE- specific cut scores to use in GSQ.

3. **Final Report.** Upon completion of the Quality Compendium analyses and the CLASS analyses, the Contractor will provide MDE with a report that summarizes the Quality Compendium analyses and the CLASS analyses. This report will include a set of recommendations for how to integrate CLASS, including recommended cut scores and options for incorporating the CLASS into a CQI framework. The final report will be submitted to MDE on March 29, 2019. MDE will provide feedback within two weeks, by April 12, 2019. The Contractor will then provide a final version of the report, integrating any comments from MDE, by April 26, 2019.

STAFF, STAFF TITLE, AND BUDGETED HOURS

		Hours			
Key Staff	Title	Task 1	Task 2	Task 3	Total Full-Time Equivalent
Iruka, Iheoma	Principal Investigator	9	9	9	5%
Faria, Ann-Marie	Co-Principal Investigator	20	40	40	19%
Tucker-Bradway, Natalie R	Project Director	20	60	60	25%
Pan, Jingtong	Analyst	0	100	40	25%
Nyhof, Emma C.	Data Manager	40	61	40	26%

Additional staffing and hours

- 16 hours of internal quality assurance provided by Dr. Heather Quick, an expert in QRIS Validation studies and CLASS data.
- 40 hours of publication services/editing staff to copy edit all deliverables.
- 28 hours for the database specialist to pull any new data from the GSQ RTT-ELC Validation study database or create any new reports required for the study.

Schedule B – Additional Pricing

Task	Cost
Task 1: Analyze Quality Compendium	$16,667
Task 2: Analyze existing CLASS data collected as part of the *GSQ Validation Study*	$48,249
Task 3: Final report	$35,027
Total	$99,943

STATE OF MICHIGAN
ENTERPRISE PROCUREMENT
Department of Education
608 W. Allegan, Lansing MI 48933
P.O. Box 30008, Lansing, MI 48909

NOTICE OF CONTRACT

CONTRACT NO. 180000000765
between
THE STATE OF MICHIGAN
and

CONTRACTOR	
	HighScope Educational Research Foundation 600 N. River Street Ypsilanti, MI 48198
	Jill Claxton
	734-485-2000 ext 297
	JClaxton@highscope.org
	C****7548

STATE			
	Program Manager	Joy Milano	OGS-RTT
		517-241-6997	
		MilanoJ@michigan.gov	
	Contract Administrator	Ruth Thole	OFM
		517-241-2170	
		TholeR@michigan.gov	

CONTRACT SUMMARY			
Validation Study for Great Start to Quality Program			
INITIAL TERM	**INITIAL EFFECTIVE DATE**	**INITIAL EXPIRATION DATE**	**INITIAL AVAILABLE OPTIONS**
7 Months	June 1, 2018	December 31, 2018	One 1-year
PAYMENT TERMS		**DELIVERY TIMEFRAME**	
Net 45 Days		NA	
ALTERNATE PAYMENT OPTIONS			**EXTENDED PURCHASING**
☐ P-card ☐ Direct Voucher (DV) ☐ Other			☐ Yes ☐ No
MINIMUM DELIVERY REQUIREMENTS			
NA			
MISCELLANEOUS INFORMATION			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION		**$1,096,661.00**	

STATE OF MICHIGAN
STANDARD CONTRACT TERMS

This STANDARD CONTRACT ("**Contract**") is agreed to between the State of Michigan (the "**State**") and HighScope Educational Research Foundation (the "**Contractor**"), a Michigan 501(c)3 Non-Profit Corporation. This Contract is effective on June 1, 2018 ("**Effective Date**"), and unless terminated, expires on December 31, 2018.

This Contract may be renewed for up to one (1) additional one-year period. Renewal is at the sole discretion of the State and will automatically extend the Term of this Contract. The State will document its exercise of renewal options via Contract Change Notice.

The parties agree as follows:

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

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

   Contractor must: (a) perform the Contract Activities in a timely, professional, safe, and workmanlike manner consistent with standards in the trade, profession, or industry; (b) meet or exceed the performance and operational standards, and specifications of the Contract; (c) provide all Contract Activities in good quality, with no material defects; (d) not interfere with the State's operations; (e) obtain and maintain all necessary licenses, permits or other authorizations necessary for the performance of the Contract; (f) cooperate with the State, including the State's quality assurance personnel, and any third party to achieve the objectives of the Contract; (g) not make any media releases without prior written authorization from the State; (h) assign to the State any claims resulting from state or federal antitrust violations to the extent that those violations concern materials or services supplied by third parties toward fulfillment of the Contract; and (i) 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 be clearly identifiable while on State property and clearly identify themselves whenever making contact with the State.

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

If to State:	If to Contractor:
Ruth Thole	Cheryl Polk, President
Department of Education	HighScope Educational Research Foundation
608 W. Allegan Street	600 N. River Street
Lansing, MI 48933	Ypsilanti, MI 48198
TholeR@michigan.gov	CPolk@highscope.org
517-241-2170	734-485-2000 ext 232

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:
Ruth Thole
Department of Education
608 W. Allegan Street
Lansing, MI 48933
TholeR@michigan.gov
517-241-2170

Contractor:
Steven Schwartz
HighScope Educational Research Foundation
600 N. River Street
Ypsilanti, MI 48198
SSchwartz@highscope.org
734-485-2000 ext 226

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:
Joy Milano, on behalf of Kelly Bentley
Department of Education
608 W. Allegan Street
Lansing, MI 48933
MilanoJ@michigan.gov
517-241-6997

The State Program Manager, Joy Milano, will serve as the primary point of contact acting on behalf of Kelly Bentley for the monitoring and coordination of the day-to-day activities of this contract. Final acceptance of deliverables will be made by Kelly Bentley and communicated to the Contractor by Joy Milano.

Contractor:
Jill Claxton
HighScope Educational Research Foundation
600 N. River Street
Ypsilanti, MI 48198
JClaxton@highscope.org
734-485-2000 ext 297

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.

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	
Minimal Limits: $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 Deductible Maximum: $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. Coverage must not have exclusions or limitations related to sexual abuse and molestation liability
Automobile Liability Insurance	
Minimal Limits: $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	
Minimal Limits: Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
Employers Liability Insurance	
Minimal Limits: $500,000 Each Accident $500,000 Each Employee by Disease $500,000 Aggregate Disease.	
Professional Liability (Errors and Omissions) Insurance	
Minimal Limits: $3,000,000 Each Occurrence $3,000,000 Annual Aggregate Deductible Maximum: $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 ; and (d) waive all rights against the State for damages covered by insurance; (b) require that subcontractors maintain the required insurances contained in this Section; (c) notify the Contract Administrator within 5 business days if any insurance is cancelled; and (d) waive all rights against the State for damages covered by insurance. Failure to maintain the required insurance does not limit this waiver.

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

7. **Independent Contractor.** Contractor is an independent contractor and assumes all rights, obligations and liabilities set forth in the Contract. Contractor, its employees, and agents are not 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.

8. **Subcontracting.** Contractor may not delegate any of its obligations under the Contract without the prior written approval of the State. Contractor shall endeavor to notify the State at least 90 calendar days before the proposed delegation when time allows, and provide the State any information it requests to determine whether the delegation is in its best interest. If approved, Contractor must: (a) be the sole point of contact regarding all contractual matters, including payment and charges for all Contract Activities; (b) make all payments to the subcontractor; and (c) incorporate the terms and conditions contained in this Contract in any subcontract with a subcontractor. Contractor remains responsible for the completion of the Contract Activities, compliance with the terms of this Contract, and the acts and omissions of the subcontractor. The State, in its sole discretion, may require the replacement of any subcontractor.

9. **Staffing.** The State's Contract Administrator may require Contractor to remove or reassign personnel by providing a notice to Contractor.

10. **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.

11. **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.

12. **Change of Control.** Contractor will notify, at least 90 calendar days before the effective date, the State of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the following: (a) a sale of more than 50% of Contractor's stock; (b) a sale of substantially all of Contractor's assets; (c) a change in a majority of Contractor's board members; (d) consummation of a merger or consolidation of Contractor with any other entity; (e) a change in ownership through a transaction or series of transactions; (f) or the board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.

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

13. **Ordering.** Contractor is not authorized to begin performance until receipt of an authorizing Purchase Order

14. **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 Schedule A. If the Contract Activities are not fully accepted by the State, the State will notify Contractor by the end of the State Review Period that either: (a) the Contract Activities are accepted, but noted deficiencies must be corrected; or (b) the Contract Activities are rejected. If the State finds material deficiencies, it may: (i) reject the Contract Activities without performing any further inspections; (ii) demand performance at no additional cost; or (iii) terminate this Contract in accordance with **Section 18. 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.

15. **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 Schedule 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/SIGMAVSS 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.

16. Liquidated Damages. Liquidated damages, if applicable, will be assessed as described in Schedule A.

17. 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.

18. Termination for Cause. The State may terminate this Contract for cause, in whole or in part, if Contractor, as determined by the State: (a) endangers the value, integrity, or security of any location, data, or personnel; (b) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; (c) engages in any conduct that may expose the State to liability; (d) breaches any of its material duties or obligations; or (e) fails to cure a breach within the time stated in a notice of breach. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

If the State terminates this Contract under this Section, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Contractor was not in breach of the Contract, the termination will be deemed to have been a Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in **Section 19. 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.

19. 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 cease performance of the Contract Activities immediately. If the State terminates this Contract for convenience, the State will pay all reasonable costs, as determined by the State.

20. Effect of Termination. Upon termination or expiration of this Contract for any reason:

a) All licenses granted to Contractor in State Data will immediately terminate.

b) Contractor must take all necessary and appropriate steps, or such other action as the State may direct to:
   i) return to the State any and all State Data, including all documents and tangible materials (and any copies) containing, reflecting, incorporating, or based on the State's Data within five (5) business days of the date of termination;
   ii) permanently erase all State Data from its computer systems (including all laptops, tablets, or other electronic devices used by Contractor or subcontractor personnel) and destroy any and all documents and tangible materials (and any copies) containing, reflecting, incorporating, or based on the State's Data; and

iii) certify in writing to the State that it has complied with the provisions of this Section within five (5) business days of the date of termination.

21. **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 defence of the proceeding; (iii) employ its own counsel; and to (iv) retain control of the defence 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 defence 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.

22. **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.

23. **Limitation of Liability and Disclaimer of Damages. IN NO EVENT WILL THE STATE'S AGGREGATE LIABILITY TO CONTRACTOR UNDER THIS CONTRACT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT, EXCEED THE MAXIMUM AMOUNT OF FEES PAYABLE UNDER THIS CONTRACT.** The State is not liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.

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

25. **State Data.** All data and information provided to Contractor by or on behalf of the State, collected by Contractor on behalf of the State, and all data and information derived therefrom, regardless of the format or

media, is the exclusive property of the State ("**State Data**"); this definition is to be construed as broadly as possible. Upon request, Contractor must provide to the State, or a third party designated by the State, all State Data within 10 calendar days of the request and in the format requested by the State. Contractor will assume all costs incurred in compiling and supplying State Data.

a) 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.

b) Loss or Compromise of State Data. In the event of any act, error or omission, negligence, misconduct, or breach on the part of Contractor that compromises or is suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor must, as applicable: (a) notify the State as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State; (c) in the event notification to individuals is legally required, at the State's sole election, (i) with approval and assistance from the State, notify the affected individuals as soon as practicable but no later than is required to comply with applicable law; or (ii) reimburse the State for any costs in notifying the affected individuals; (d) provide third-party credit and identity monitoring services to each of the affected individuals if legally required; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) pay for any costs associated with the occurrence, including but not limited to any costs incurred by the State in investigating and resolving the occurrence, including reasonable attorney's fees associated with such investigation and resolution; (g) 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 incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence; (h) be responsible for recreating lost State Data in the manner and on the schedule set by the State without charge to the State; and (i) provide to the State a detailed plan within ten (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, not be tangentially used for any solicitation purposes, 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. The State will have the option to review and approve any notification sent to affected individuals prior to its delivery. Notification to any other party, including but not limited to public media outlets, must be reviewed and approved by the State in writing prior to its dissemination. The parties agree that any damages relating to a breach of this **Section 25(b)** are to be considered direct damages and not consequential damages. This section survives termination or expiration of this Contract.

c) Security of State Data. 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 that all State Data stored electronically is encrypted in transit and at rest using mechanisms appropriate for a human subject matter research project; (e) ensure the proper disposal of State Data; and (f) 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 required by this Contract, the Institutional Review Board (IRB) identified in this Contract, and any additional safeguards that apply to research projects involving human subjects; and Contractor must at all times comply with all applicable laws, rules, and regulations. All State Data must remain in the continental United States.

d) 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. Contractor must implement any required safeguards as identified by the State or by any audit of Contractor's data privacy and information security program. 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 25**.

e) Discovery. Contractor shall not respond to subpoenas, service of process, Freedom of Information Act (FOIA) requests, and other legal requests related to the State Data without first notifying the State and obtaining the State's prior approval of Contractor's proposed responses. Contractor agrees to provide its completed responses to the State with adequate time for the State to take action it deems necessary to protect State Data, and for State's review, revision and approval of Contractor's proposed responses.

26. Confidentiality. Contractor agrees that any information, including State Data, disclosed by the State in relation to the Contract will be used only in the performance thereof. Contractor will keep the information confidential, will not disclose it to any third party, except as authorized by the State, and will only disclose it to those within its organization who need it for performance of the Contract. Upon completion or termination of the Contract, Contractor will return all such information to the State, or make such other disposition thereof as directed or approved by the State. No item furnished under the Contract, or tools, plans, designs, or specifications for producing the same, which have been specifically designed for or by the State, will be duplicated or used by Contractor. Nothing in this provision will restrict Contractor's right to use or disclose any information which is or becomes known to the public without breach of this provision by Contractor, or is rightfully obtained without restriction from other sources. 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.

27. Intellectual Property. Contractor hereby acknowledges, except for Contractor Technology contained herein, 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. Further, Contractor grants the State a perpetual, royalty free, fully paid, and irrevocable license to Contractor Technology that are part of the Contract Activities. For purposes of this Section, "**Contractor Technology**" means all works of authorship, materials, information and other intellectual property created prior to or independently of the performance of the services, plus any modifications or enhancements thereto and derivative works based thereon.

28. 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.

29. **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; (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; and that (i) Contractor is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under **Section 18. Termination for Cause**.

30. **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.

31. **Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations.

32. **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.

33. **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.

34. **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.

35. **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.

36. **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.

37. 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.

38. 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.

39. Website Incorporation. The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.

40. Entire Agreement and Order of Precedence. This Contract, which includes Schedule 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 Schedule A – Statement of Work; (b) second, Schedule A – Statement of Work as of the Effective Date; and (c) third, 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.

41. 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.

42. Waiver. Failure to enforce any provision of the Contract, or these terms, for any period of time will not constitute a waiver.

43. 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.

44. 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.

Federal Provisions Addendum

The provisions in this addendum may apply if the purchase will be paid for in whole or in part with funds obtained from the federal government. If any provision below is not required by federal law for this Contract, then it does not apply and must be disregarded. If any provision below is required to be included in this Contract by federal law, then the applicable provision applies and the language is not negotiable. If any provision below conflicts with the State's terms and conditions, including any attachments, schedules, or exhibits to the State's Contract, the provisions below take priority to the extent a provision is required by federal law; otherwise, the order of precedence set forth in the Contract applies. Hyperlinks are provided for convenience only; broken hyperlinks will not relieve Contractor from compliance with the law.

1. **Federally Assisted Construction Contracts.** If this contract is a "**federally assisted construction contract**" as defined in 41 CRF Part 60-1.3, and except as otherwise may be provided under 41 CRF Part 60, then during performance of this Contract, the Contractor agrees as follows:

   a) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

      Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

   b) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

   c) The Contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Contractor's legal duty to furnish information.

   d) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

   e) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

   f) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

g) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

h) The Contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

2. **Davis-Bacon Act (Prevailing Wage).** If applicable, the Contractor (and its subcontractors) for **prime construction contracts** in excess of $2,000 must comply with the Davis-Bacon Act (40 USC 3141-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”).

3. **Copeland “Anti-Kickback” Act.** If applicable, the Contractor must comply with the Copeland “Anti-Kickback” Act (40 USC 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”), which prohibits the Contractor and subrecipients from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled.

4. **Contract Work Hours and Safety Standards Act.** If the Contract is **in excess of $100,000** and **involves the employment of mechanics or laborers**, the Contractor must comply with 40 USC 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5), as applicable.

5. **Rights to Inventions Made Under a Contract or Agreement.** If the Contract is funded by a federal “funding agreement” as defined under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

6. **Clean Air Act.** If this Contract is **in excess of $150,000,** the Contractor must comply with all applicable standards, orders, and regulations issued under the Clean Air Act (42 USC 7401-7671q) and the Federal Water Pollution Control Act (33 USC 1251-1387). Violations must be reported to the federal awarding agency and the regional office of the Environmental Protection Agency.

7. **Debarment and Suspension.** A “contract award” (see 2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM

Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

8. **Byrd Anti-Lobbying Amendment.** If this Contract **exceeds $100,000**, the Contractor must file the certification required under 31 USC 1352.

9. **Procurement of Recovered Materials.** Under 2 CFR 200.322, a non-Federal entity that is a state agency or agency of a political subdivision of a state **and its contractors** must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

STATE OF MICHIGAN

Contract 180000000765
Validation Study for Great Start to Quality Program

SCHEDULE A
STATEMENT OF WORK
CONTRACT ACTIVITIES

This schedule identifies the requirements of the Contract.

1. OVERVIEW OF THE PROJECT

States have identified varying approaches to determining high-quality early childhood education, including the implementation of a Quality Rating and Improvement System (QRIS). As part of Michigan's application for the Race to the Top—Early Learning Challenge (RTT-ELC) grant, the Michigan Department of Education (MDE) pledged to implement a validation of Great Start to Quality (GSQ), the state's Tiered Quality Rating Improvement System. The requirements provided for a multi-year validation of the GSQ system to determine its validity and effectiveness. HighScope Educational Research Foundation (the Contractor), in collaboration with the American Institutes for Research (the subcontractor) will conduct a validation study of center- and home-based programs in GSQ.

2. CONCEPTUAL FRAMEWORK AND RESEARCH QUESTIONS

Validation is a multi-faceted process that involves demonstrating a high degree of correlation between ratings and important indicators of program quality (construct validity), a high degree of correlation between ratings and important measures of quality not included as indicators in the rating system (convergent validity), a high degree of correlation between quality ratings and desired child outcomes (predictive validity), and a significant capacity of the ratings system to distinguish high- and low-quality sites (discriminant validity). In addition, the validation process assumes reliability in quality measures, an assumption that requires indicators and quality ratings to not be biased or flawed in their reflection of quality status. Given these definitions, the Contractor will conduct a multi-pronged validation of GSQ that is framed by Zellman and Fiene's (2012) comprehensive approach to validating a quality rating and improvement system, which includes:

- Examining the validity of key underlying concepts of the system,
- Evaluating the psychometric properties of the elements of the system (e.g., correlation among standards and indicators), and
- Assessing the outputs of the rating system (e.g., relation with independent measures).

The Contractor will meet the criteria of validating GSQ as specified by Zellman and Fiene (2012), with the priority being to address the aspects focused on examining the validity of the underlying concepts of GSQ (namely the Great Start to Quality Program Quality Indicators) and assessing the outputs of the rating system in relation to other measures. The evaluation will take into account the mixed findings about QRIS, including few programs at the highest levels of the system and minimal focus on home-based providers. The Contractor's recruitment plan will target programs at the highest levels and will add a large number of home- based programs. The study undertaken by the Contractor will answer the following questions, which will frame the final report:

2.1. Research Questions #1: If and how does GSQ actually measure "quality" in licensed centers and for home-based providers? This entails the following activities. Note: To address research questions 2.1.C. through 2.1.E., the Contractor will work with extant data provided by MDE for Early Childhood Education (ECE) programs currently participating in GSQ that have completed a Self-Assessment Survey (SAS) or Program Quality Assessment (PQA), (approximately 2,376 programs).

A. *Assessing whether basic QRIS quality components and standards are the "right" ones by examining levels of empirical and expert support.* Contractor will identify empirical support and enlist expert review of the inclusion of each indicator in the STAR rating system, analyzing the empirical and expert support evidence based on the degree of agreement among the experts' ratings from 1 to 10 for each of the 5 categories and 40 indicators. The degree of agreement will be determined by match rate and intraclass correlations. High agreement indicates that the experts agree that the categories and indicators of the GSQ SAS represent components of quality and thereby provide evidence of construct validity.

B. *Examining whether the process used to document and verify each indicator is yielding accurate results*. The Contractor will select a sub-sample of approximately 60 programs for which Contractor has reviewed and scored based on their documentation used to receive their current GSQ rating. The extent to which the existing program scores and ratings by MDE is similar or divergent from the Contractor's scores and ratings will be examined. This information will provide the level of inter-rater reliability between the MDE-scores and the Contractor scores (subscales and overall scores and ratings), which will provide a reliability/internal consistency measure for the documentation process and accuracy of scores. Criteria for selecting the sub-sample will be proposed by the Contractor with final approval to be documented by MDE.

C. *Examining the relationships among the component measures to assess whether they are functioning as expected.* To address this research question, the Contractor will conduct descriptive and correlational analyses that document the relationships between the SAS (overall and each subscale score) and the PQA. First, the Contractor will report descriptive statistics for the distribution of the SAS overall scores as they would qualify. programs for the 1- through 5-star ratings, SAS subscale scores, and PQA scores. Second, to understand how the measures relate to each other, and if they are functioning as expected, the Contractor will conduct correlational analyses (Spearman rho) between the self-reported SAS subscale scores, the PQA subscales, and correlations between the SAS overall scores and the PQA. The correlations will tell the strength of the relationship between the five domains of the SAS, the overall SAS score, the PQA, and the overall TQRIS score. Higher correlations between any domains and overall scores may indicate that certain domains are driving the overall score.

   The Contractor will also conduct a cross-tab statistics that documents the concordance between programs' self-ratings on the SAS and the independent measure of the PQA, that will share the number of programs that have the same self-rating and PQA, or have higher self-ratings, or higher PQA scores and a psychometric analyses that examine how well the individual items measure the same underlying aspects of program quality for the SAS (yielding both Cronbach Alpha's coefficients to understand the internal consistency of the SAS and factor analyses that will inform how items function for each scale). Taken together, these analyses will describe the relationships among the component measures and if they are functioning as expected.

D. *Examining the cut scores and combining rules to determine the most appropriate ways to combine measures of quality standards into summary ratings*. To address this research question, the Contractor will develop an a priori structure for different combining rules (i.e., block, point, or hybrid approaches) and alternate cut points based on a review of the MI TQRIS as well as other state TQRIS measures, to be presented to and approved by MDE. Using these alternate cut scores and combining rules, the Contractor will then create a series of simulated scores for each program with a SAS or PQA score on the overall TQRIS, yielding new alternate ratings ranging from 1- to 5- star levels. The distribution of the simulated TQRIS ratings will then be examined for each new proposed cut score or combining rules approach and compare these scores with the current scoring method. The Contractor also will compare the patterns in rating between the existing TQRIS cut scores and combination rules and alternative scoring approaches to determine the extent to which programs change (i.e., move to a higher or lower rating) as a result of each alternative scoring approach.

E. *Examining variation and patterns of program-level ratings within and across program types to ensure that the ratings are functioning as intended*. To address this research question, the Contractor will conduct a series of descriptive and correlational analyses to examine the extent to which SAS and PQA ratings differ across existing program - level characteristics (e.g., program type, locale, program size, and educational approach). For example, the Contractor will compare the distribution of the overall SAS ratings for all center-based and all family-based programs participating in the TQRIS to see if there are differences in measures of quality between program types. The program-level characteristics to be examined will be co-decided between the Contractor and MDE, with the final decision to be approved and documented by MDE. The following characteristics are starting points: (1) Program type (Child Care & Preschool Centers vs. Group Child Care Homes vs. Family Child Care Homes), (2) Urban vs Rural, (3) Program Size (licensing capacity), and (4) Education Approach (Preschool, Religious, National Association for the Education of Young Children accredited, Montessori, Reggio-inspired, other). Any differences by program-level characteristics will be carefully considered and interpreted to determine if differences are considered valid or may indicate potential biases in how the TQRIS functions for different program types; final determination will be approved and documented by MDE.

2.2. Research Question #2: What is the difference between ratings in terms of quality? Specifically, do the self-assessing criteria produce meaningful distinctions in quality? In addition, are there differences in GSQ ratings based on other measures of quality using the Environment Rating Scales (ERS) and Classroom Assessment Scoring System (CLASS) across program types? This entails the following activities:

A. *Examining relationship of program-level ratings to other quality indicators to determine if ratings are assessing quality in expected ways*. The Contractor will examine to what extent the GSQ ratings differ across the five levels of rating, for example, comparing 4- and 5- star centers/providers to the scores the centers/providers receive on the ERS and CLASS to see if centers/providers that have a 4- and 5-star rating do receive higher scores on the ERS and CLASS than centers/providers that are rated lower (i.e., 1- to 3- stars). These comparisons will help determine if each level of the GSQ is distinctively different and meaningful. The main analytic technique will be general linear modeling that includes the survey sampling design. General linear modeling has two main components: (1) Analysis of variance to determine mean differences among rating levels on ERS and CLASS; and (2) regression analysis to adjust the differences by classroom characteristics.

B. *Examining alternate cut points and rules to determine how well the ratings distinguish different levels of quality*. The Contractor will examine to what extent the simulated GSQ ratings (developed for 2.1.D. above) differ across the five levels of rating. The analyses will mirror those described above for 2.2.A. but will use the simulated GSQ ratings that use different cut points or combination rules. For example, the Contractor will compare 4- and 5- star centers/providers on the simulated scores with the scores that these same centers/providers receive on the ERS and CLASS to see if centers/providers that have a 4- and 5- star rating in the simulated systems receive higher scores on the ERS and CLASS than centers/providers that are rated lower (i.e., 1- to 3- stars). In these analyses, positive and significant relationships between the simulated TQRIS ratings and CLASS and ERS would indicate that the alternative approaches distinguish different levels of quality. These findings will be used to advise on the most appropriate alternative TQRIS scoring approaches.

3. RECRUITMENT PLAN

Contractor's recruitment plan will be finalized, documented, and submitted to MDE for approval within the first 45 days of the Effective Date of the Contract. Recruitment plan must include plans and documents to be approved by MDE, including:

- recruitment procedures, especially highlighting plans for outreach to hard-to-reach populations,
- protocol for inclusion or replacement of alternative programs in the final sample,
- communication vehicles for site liaisons, teachers, directors/providers, and
- appropriate, IRB-approved incentives.

All external communication plans and materials must be approved by MDE/OGS prior to commencement. The Contractor must seek and receive MDE's approval of any deviations from the plan at any point during the planning and implementation phase and must provide updates and communication regarding status to MDE/OGS, at a minimum during monthly monitoring meetings and just-in-time updates for emergent issues.

3.1. Incentives.

The Contractor will provide incentives for study participants' time as a key strategy to overcome barriers and obtain high response rates in primary data collection. The following incentives will be provided for programs, study liaisons at each ECE program, and teachers participating in the studies at center-based and group home programs:

A. **ECE program liaisons for overall study management:** Liaisons, who have been identified by the site program director to serve as the Contractor's primary contact at the sample sites, will receive a total of $50 for their support in collecting informed consent documents as well as ongoing scheduling and logistical support for the research study, especially for the data collection.

B. **Qualitative interviews:** Center directors and group or family home owners that participate in the one-hour interview will receive a $20 gift card for the interview.

C. **Classroom observations:** Teachers who allow classroom observations will receive a $20 gift card for an educationally relevant organization; incentive will be approved by MDE/OGS prior to awarding. Any deviations from this plan at any point during the planning and implementation phase require the Contractor providing updates and communication regarding status to MDE/OGS, at a minimum during monthly monitoring meetings and just-in-time updates for emergent issues.

Home-based providers will receive incentives for:

A. **Qualitative interviews:** Owners who participate in the one-hour interview will receive a $20 gift card for the interview.

B. **Classroom observations:** Owners who allow observations will receive a $20 gift card for an educationally relevant organization (to be confirmed with MDE after award).

The incentives are in line with federal guidance for the use of incentives within federally funded research projects, according to the Office of Management and Budget regulations.

4. DATA COLLECTION

4.1. Risk and Confidentiality

To ensure adequate protection against any risks associated with participation in this research and to ensure confidentiality is maintained, Contractor will submit an application to the Contractor's/subcontractor's Institutional Review Board (IRB); the IRB designation letter and documents submitted by Contractor and approved for use by its IRB (which will include consent documents, protocols, incentive structure, recruitment plans, etc. will be transmitted to MDE prior to commencement of data collection. At the time of initial contact with providers, the Contractor's research staff will fully explain the study and participation agreement. The voluntary nature of participation, study activities, and procedures will be clearly explained and presented to each provider. All provider's questions will be answered by the Contractor. Provider will be informed that she/he may elect to skip any portion of the study or curtail participation at any time. Willing providers (participants) must be provided two copies of the informed consent documents. The participant will sign both consent documents, retain one copy, and return the other to the research staff.

The Contractor will minimize the risk of a breach of confidentiality through appropriate training for all research staff regarding research ethics surrounding confidentiality. All research staff will complete training and obtain certification through the Collaborative Institutional Training Initiative (CITI Program) in human subjects' protections and submit a copy of this certification to the Principal Investigator. Research staff must agree to abide by the informed consent process and not to divulge, publish, or otherwise reveal to unauthorized persons any information obtained during the study. Each program and participant will be assigned a unique identification number with the master list linking names and ID numbers stored separately from the data. Only research staff who have contact with programs will have access to this list. Electronic versions of the data will include the identification numbers and will not include names, addresses, or other sensitive data. As soon as possible after data collection, all personal identifiers will be removed from all non-electronic files and the tracking files will be destroyed to further prevent the possibility of identification of individuals and/or disclosure of confidential data. Access to all forms of study data (electronic and hardcopy) will be restricted to research staff only. All data will be protected in a secure, password-protected database and all hard copies of data will be stored in locked filing cabinets. Information from this study will be provided in aggregate form only. Any oral or written reports drawing on the study data will contain no identifying information that would link individuals to specific programs or data.

4.2. Data Collectors

The Contractor will hire 35 to 45 Michigan-based field staff as data collectors for this Contract. Data collectors will have (1) knowledge/experience related to working in an early childhood care and education settings; (2) a bachelor's degree in early childhood, education, psychology, or a related field; and (3) experience in data collection involving conducting classroom observation. All hired data collectors will have an up-to-date background check on file. To ensure high-quality and reliable data, data collectors will be trained as stipulated by protocols established by observation measure developers (specifically, CLASS and ERS). Training will be provided by a certified trainer on the various quality measures. The Principal Investigator(s) will oversee training on program quality measures and procedures.

The Contractor will manage data collectors and oversee all data collection. To minimize drift, Contractor will conduct inter-rater reliability visits or 10% of observations.

4.3. Data Collection Tools

Data Collection Tools, such as interviews or surveys, will be finalized, documented, and submitted to MDE within 60 days of contract Effective Date. As needed, the Contractor will provide staff who are fluent in Spanish and Arabic. Surveys will be available in Spanish and Arabic, as needed, and survey participants will be offered the option of a written or telephone interview.

4.4. Sub-samples and Characteristic Data

Within the study sample, a sub-sample will be extracted as part of the process of examining the psychometrics of the GSQ, specifically, inter-rater reliability. A sub-sample will be selected of approximately 60 programs who are part of this validation study based on star level, type, size, region, and length of time in programs. The Contractor will examine each program's supporting documents that led to their particular rating and compare how closely aligned the Contractor's ratings are with MDE's ratings using the same standards and criteria.

MDE/OGS will provide the Contractor with access to extant program characteristic data including, but not limited to, the following: program ID; name; address; ZIP code; e-mail and phone number; primary contact; initial TQRIS quality level; community setting; program type (e.g., group- or family-based home care, center-based care, Head Start, GSRP, or for-profit program); enrollment size; needs resources; and overall, subscale and item-level SAS and Preschool Program Quality Assessment (PQA) data as well as state-verified (and unverified) TQRIS ratings. These data will be used to help finalize research questions and study design, as well as help in the selection of programs.

5. ASSESSMENT TOOLS FOR PROVIDERS

The Contractor will utilize the following assessment tools for this Contract:

Tool	Purpose	Data Collected By
Classroom Assessment Scoring System (CLASS)	Quality of teacher-child interactions, including Emotional Support (i.e., positive climate, negative climate, teacher sensitivity, and regard for student perspectives, Instructional Support (i.e., quality of feedback and language modeling as well as concept development, and Classroom Organization (i.e., behavior management, productivity, and instructional learning formats)	Contractor data collectors, who observe classrooms for four (4) to six (6) 20-minute cycles of observation, followed by 10 minutes of scoring.
The Environment Rating Scales (ERS) [Early Childhood Environment Rating Scale-Revised (ECERS-3) for center-based preschool programs, the Family Child Care Environment Rating Scale-Revised (FCCERS-R) for family child care programs, and the Infant/Toddler Environment Rating Scale-Revised (ITERS-3) for center-based programs serving infants and toddlers	Program structure, provisions for learning, and teaching and interactions using 35 to 43 items with subscales in the area of: (1) Space and Furnishing, (2) Personal Care Routines, (3) Listening and Talking, (4) Activities, (5) Interaction, (6) Program Structure, and (7) Parents and Staff	Contractor data collectors

6. SAMPLE

The Contractor must conduct a stratified, random sample representing program region/locale, quality ratings, care by provider type, and demographics. The stratification strategy also calls for a representative sample of urban and rural providers, Family, Group Homes, Center-based, and for-profit programs. Head Start and Great Start Readiness Program (GSRP) classrooms will be excluded from this study.

The Contractor's final sample must include a minimum of 450 providers, that will be comprised of 150 providers in each licensing category (family home, group home, center-based programs), unless otherwise approved by MDE. Throughout recruitment and data collection, the Contractor will be in regular contact with MDE/OGS with updates on and to seek guidance with the activities and status, at minimum during monthly monitoring and just-in-time updates for emergent issues. Sample is to be gathered via:

6.1. Oversampling

The Contractor must maintain a rolling recruitment process that is representative of the state provider context (which is also to include region/geographic location), to the extent possible, to ensure a minimum of 450 programs (150 center-based programs, 150 group child care homes, and 150 family child care homes) are gathered for analyses. The Contractor will sample at least 70 programs above and beyond the 450 required, especially for 4- and 5- star rated programs, to account for providers who decline to participate or opt out of the study to ensure reaching the target of 450 programs.

6.2. Sample size, sampling plan, and process for drawing the sample

The sampling plan must allow analyses to be conducted for each type of provider separately. The target population is the ~2,376 programs participating in GSQ with star ratings from 1 to 5, excluding all Great Start Readiness Programs (GSRP), Head Start (HS) programs, and others using alternative pathways, to be provided by MDE/OGS. The Contractor must provide a stratified probability sampling plan that will prioritize the stratification of program type and star rating at each level. The sampling plan must be finalized, documented and submitted to MDE within 60 days of the Effective Date of the Contract. The sampling plan must follow a structure that provides for 15 strata as listed below:

1) Center-based programs with 1-star rating
2) Center-based programs with 2-star rating
3) Center-based programs with 3-star rating
4) Center-based programs with 4-star rating
5) Center-based programs with 5-star rating
6) Group Child Care Homes with 1-star rating
7) Group Child Care Homes with 2-star rating
8) Group Child Care Homes with 3-star rating
9) Group Child Care Homes with 4-star rating
10) Group Child Care Homes with 5-star rating
11) Family Child Care Home with 1-star rating
12) Family Child Care Home with 2-star rating
13) Family Child Care Home with 3-star rating
14) Family Child Care Home with 4-star rating
15) Family Child Care Home with 5-star rating

Contractor will ensure a minimum of 30 programs in each stratum (star rating and program type), which ensures that selection into the study is entirely by chance. **Recruiting the full 30 programs from each stratum may not always be possible**, especially when there are fewer programs to sample from within a specific rating and program type. Therefore:

A. If there are fewer than 30 programs in any individual stratum (such as in the 1- star center-based programs), all those programs must be invited to participate in the research study.

B. If there are more than 30 programs in any individual stratum (e.g., center-based programs with a 3-star rating), all eligible programs within each stratum will be assigned a random number using a random number generator. The 30 programs with the lowest random numbers will be invited to participate in the study. If a program declines to participate, they will be replaced with the program with the next lowest number on the random number list. This process will be followed until the 30-program sample size is reached for each stratum.

C. Weights will be calculated in analysis to generalize to the population of eligible programs; adjusting the weights will be considered in consultation with MDE if it is determined that certain types of programs with certain star ratings were less (or more) likely to participate in the project. Final decisions regarding weights will be approved and documented by MDE/OGS.

D. This sample will include approximately 952 classrooms within the 450 programs and will include over-sampling at the program level, with a random sample of between 170 and 180 programs per type and ensure that at least 30 programs are represented at each star level for each program type, where possible, for analyses.

Any proposed alterations or deviations from this plan must be presented to MDE for approval prior to implementation.

7. DATA ANALYSIS PLAN

Raw data is considered property of the State of Michigan and must be turned over to MDE at the end of the contract term. However, the State can request raw data at any time prior to the end of the contract and the Contractor must comply with the request within 60 days.

The final analysis will commence once data has been cleaned and will include a three-stage analysis process:

7.1. Basic descriptive analysis

Contractor will perform a basic descriptive analysis of each of the independent observation measures (mean and standard deviation) by QRIS rating level to see if the average scores on the CLASS and ERS increase as tier ratings increase (for five groups of programs for **group and family child care homes**: (1) those rated at 5-stars (2) those rated at 4-stars (3) those rated at 3-stars (4) those rated at 2-stars and (5) those rated at 1-star. For **center-based programs** that have few programs at the 1-star rating level, consideration will be given to grouping programs at the lower end (1- and 2- stars), with final approval by MDE prior to implementation: (1) those rated at 5-stars (2) those rated at 4-stars (3) those rated at 3-stars and (4) those rated at 2- and 1- stars.

7.2. Statistical analyses (ANOVAs)

ANOVAs will be performed by Contractor to determine whether observed differences in mean scores are due to chance or are statistically significant for the 5-star-level rating groups and the 4-star level rating groups using ANOVA models.

7.3. Exploratory analysis

Exploratory analysis to examine the extent to which programs at higher STAR ratings show higher levels of structural and process quality will be performed by Contractor. Regression analyses, and two-level hierarchical linear models (HLMs) when needed to adjust for nesting of classrooms within programs, will be conducted by Contractor to examine whether GSQ ratings predict ERS and CLASS scores. Contractor will perform follow-up linear contrasts will compare between each individual GSQ level rating (five versus four, four versus three, three versus two, and so on). Contractor will perform separate analyses for each type of program – center- and home-based programs will be conducted first. Then all programs will be combined and include an interaction term for program type. All analyses will adjust for region and program characteristics. These analyses will provide information about whether GSQ rating levels are assigned to programs that differ meaningfully from each other on validated measures of program quality.

8. TIMELINE

Sample data collection will take place immediately upon MDE's approval of the Phase I activities, to be completed no later than November 2018, barring any unanticipated challenges (i.e., weather, program availability).

Below is a high-level timeline of Contractor's tasks and activities for the project:

Milestones, tasks and activities, and deliverables	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Kick-off meeting & monthly meetings								
Identify key documents for review								
Project team meetings								
Hiring data collectors								
Access to extant data								
Data Collection Process								
Finalize design for validation study								
Institutional Review Board (IRB) approval process								
Training data collectors								
Develop dataset of administrative GSQ ratings								
Develop surveys for directors and expert reviewers								
Develop data collection systems								
Select sample, obtain administrative ratings data for sample								
Recruit programs and classrooms								
Observe classrooms								
Collect director survey								
Conduct interviews with experts								
Gather GSQ documentation for ratings								
Clean data								
Prepare analysis dataset								
Conduct analyses								
Deliverables/Reports								
Participation recruitment strategy plan								
Sampling plan for providers								
IRB approval								
Consent procedures								
Assessment tools for providers								
Data analysis plan								
Preliminary Report (overview of methods, process and results of data collection)								
Final outcomes report								
Presentation of results (as needed)								

9. DELIVERABLES

Expected deliverables include:

A. Milestone 1 – Data Collection Preparation (All materials that must be finalized and approved by MDE prior to data collection). To receive payment for Milestone 1, Contractor must complete the following deliverables:

1) Approved Participation recruitment strategy plan

2) Approved Sampling plan

3) IRB approval and approved documents

4) Securing assessment tools (CLASS, ERS)

B. Milestone 2 – Hiring and Training of Data Collectors. To receive payment for Milestone 2, Contractor must complete the following deliverables:

1) All data collectors hired

2) All data collectors completed training in Human Subjects Research Protections

3) All data collectors trained in observational tools (CLASS, ERS)

4) All data collectors ready to be deployed

C. Milestone 3 – Data Collection. To receive payment for Milestone 3, Contractor must complete the following deliverables:

1) Approved Data analysis plan

2) Data collection for all 450 providers in the sample

3) Data cleaning

D. Milestone 4 – To receive payment for Milestone 4, Contractor must complete and deliver a preliminary report containing first sections of the final report, to be delivered to and approved by MDE/OGS at end of data collection: review of previous QRIS validation studies (as a review of literature), overview of methods, process and results of data collection;

E. Milestone 5 – To receive payment for Milestone 5, Contractor must complete and deliver a final report, to be delivered to and approved by MDE/OGS, to contain the preliminary report portions as well as the final data analysis and response to research questions provided in sections 2.1 and 2.2, to be delivered by December 1, 2018.

10. STAFFING

10.1. Contractor Representative.

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

The Contractor Representative must be available for calls during the hours of 8:00 am to 5:00 pm Eastern Time.

The Contractor must notify the Contract Administrator at least 15 calendar days before removing or assigning a new Contractor Representative.

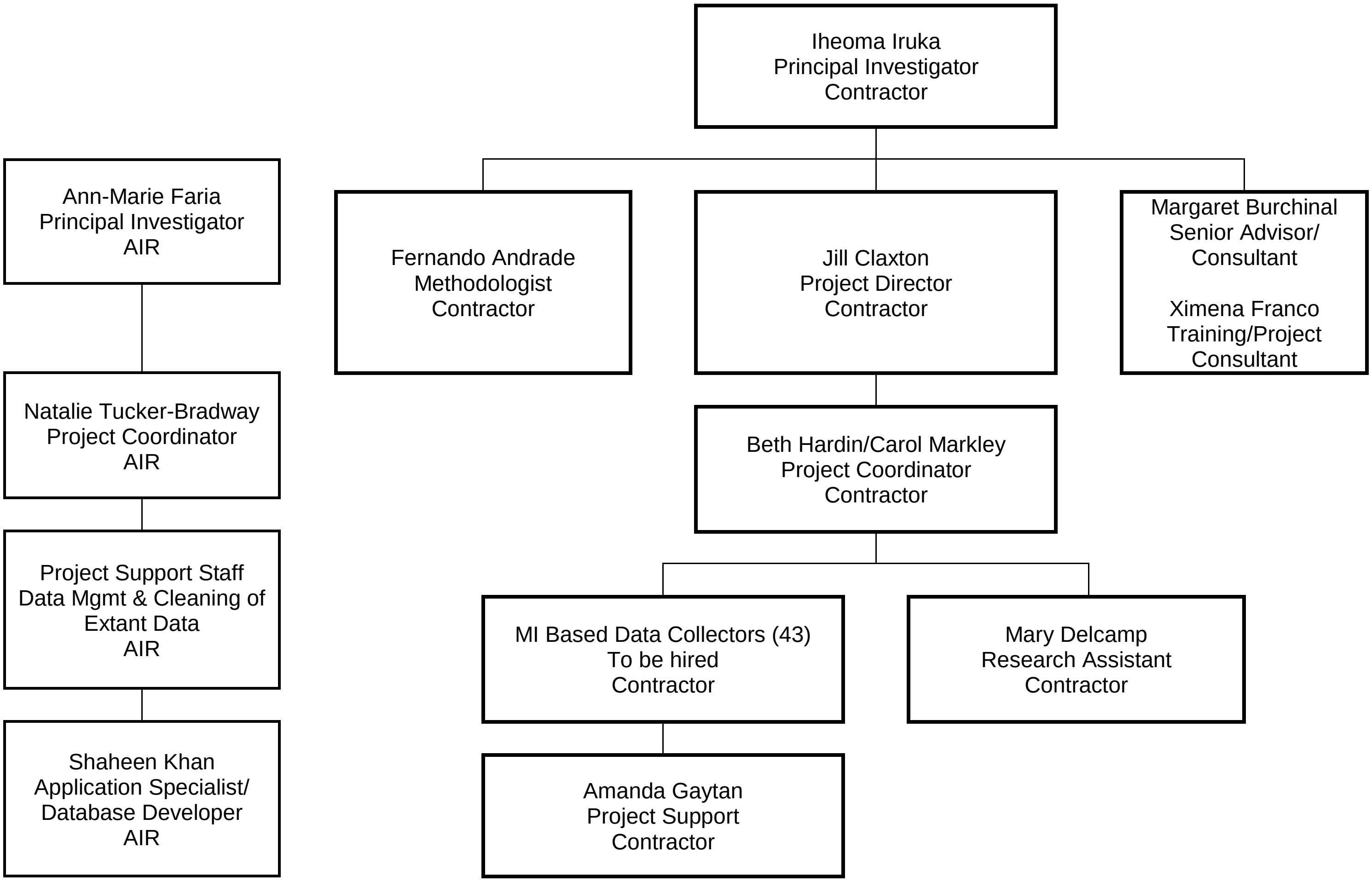
10.2. Key Personnel.

Key Personnel must be specifically assigned to the State account, be knowledgeable on the contractual requirements, and respond to State inquires within 8 hours.

Jill Claxton is designated as the Contractor's Program Manager who will be directly responsible monitoring and coordinating the day-to-day operations of the Contract.

The following Project Organization Chart identifies the Key Personnel for this Contract.

Project Organization Chart



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 Program Manager, and provide the State with a résumé 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.

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 **Standard Terms Section 18. Termination for Cause**. 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 in **Schedule A Section 16. Liquidated Damages.**

10.3. Disclosure of Subcontractors.

The State has approved the following subcontractor for this Contract:

American Institutes for Research (AIR)
1000 Thomas Jefferson
Washington, DC 20007

11. SECURITY

Criminal history checks must be performed on all Contractor and/or subcontractor employees who will have contact with children, parents, and/or child care providers when providing individualized services ("onsite workers"). The Contract is contingent upon the Contractor's ability to supply workers who have passed a criminal background check.

A. The Contractor is responsible for all costs associated with the processing of criminal history checks.

B. Criminal history checks must have been conducted within six (6) months of the date the notification of contract award is posted on www.michigan.gov/SIGMAVSS.

C. The Contractor must demonstrate onsite workers have no convictions or pending charges for the following:

   1) Any felony

   2) Any of the following misdemeanors:

      a) Criminal sexual conduct in the fourth degree or an attempt to commit criminal sexual conduct in the fourth degree.

      b) Child abuse in the third or fourth degree or an attempt to commit child abuse in the third or fourth degree.

      c) A misdemeanor involving cruelty, torture, or indecent exposure involving a child.

      d) A misdemeanor violation of section 7410 of the public health code, 1978 PA 368, MCL 333.7410.

      e) A violation of section 115, 141a, 335a, or 359 of the Michigan penal code, 1931 PA 328, MCL 750.115, 750.141a, 750.335a, and 750.359, or a misdemeanor violation of section 81, 81a, or 145d of the Michigan penal code, 1931 PA 328, MCL 750.81, 750.81a, and 750.145d.

      f) A misdemeanor violation of section 701 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1701.

      g) Any misdemeanor that is a listed offense.

   3) A violation of a substantially similar law of another state, of a political subdivision of this state or another state, or of the United States.

D. A "Conviction Disclosure Form" must be completed and signed by all Contractor/subcontractor's employees who will be onsite workers.

E. Documentation must be provided to MDE upon the Effective Date of the Contract.

F. The State may perform additional background checks.

G. The State reserves the right to reject any Contractor or subcontractor employee and prohibit employee's contact with children, parents, and/or child care providers.

12. PROJECT MANAGEMENT

The Contractor will carry out this Contract under the direction and control of MDE Office of Great Start Project Manager, Kelly Bentley, or designee.

13. COMMUNICATION AND REPORTING

A. The Contractor will schedule regular monthly monitoring meetings, design the agendas, record notes on agenda item discussions, questions, decisions, and follow-up items, and disseminate to entire team.

B. The Contractor will determine and implement a decision-making process for determining decision points, conversation, follow up, and confirming MDE/OGS's decisions and approvals prior to all actions within the study.

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

14. ORDER AUTHORIZING DOCUMENT

The appropriate authorizing document for the Contract will be a Delivery Order (DO) document issued by the Department of Education.

15. INVOICE AND PAYMENT

15.1. Invoice Requirements.

All invoices submitted to the State must include: (a) date; (b) purchase order; (c) description of the Contract Activities; (d) unit price; and (e) total price. The Contractor will submit an invoice following completion of each Milestones as described in **Section 9. Deliverables**.

15.2. Payment Methods.

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

15.3. Payment Procedure.

Upon receipt of an invoice, the Program Manager will perform acceptance of the deliverables as described in **Section 9. Deliverables**. The State will then make payment of the approved invoice.

16. LIQUIDATED DAMAGES.

Late or improper completion of the Contract Activities or Unauthorized Removal of Key Personnel 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 $1,000 and an additional $100 per calendar day for each day Contractor fails to remedy the late or improper completion of the Work or fails to remedy the Unauthorized Removal of Key Personnel.

STATE OF MICHIGAN

Contract 18000000765
Validation Study for Great Start to Quality Program

SCHEDULE B
PRICING

Description	Price
Milestone 1 – Data Collection Preparation (All materials that must be finalized and approved by MDE prior to data collection). 1) Approved Participation recruitment strategy plan 2) Approved Sampling plan 3) IRB approval and approved documents 4) Securing assessment tools (CLASS, ERS)	$ 274,165.00
Milestone 2 – Hiring and Training of Data Collectors. 1) All data collectors hired 2) All data collectors completed training in Human Subjects Research Protections 3) All data collectors trained in observational tools (CLASS, ERS) 4) All data collectors ready to be deployed	$ 274,165.00
Milestone 3 A – Data Collection. 1) Approved Data analysis plan 2) Data collection for 200 providers in the sample 3) Data cleaning for 200 providers	$ 164,499.00
Milestone 3 B – Data Collection. 1) Data collection for remaining 250 providers in the sample 2) Data cleaning for remaining 250 providers	$ 164,499.00
Milestone 4 – Preliminary Report. A preliminary report containing first sections of the final report; review of previous QRIS validation studies (as a review of literature); and overview of methods, process, and results of data collection	$ 131,600.00
Milestone 5 – Final Report A final report containing the preliminary report portions as well as the final data analysis and response to research questions provided in Schedule A, Sections 2.1 and 2.2.	$ 87,733.00
Total Costs	$ 1,096,661.00