



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

**CONTRACT CHANGE NOTICE**

Change Notice Number 1  
 to  
 Contract Number 071B7700065

<b>CONTRACTOR</b>	Advocate Solutions, LLC
	762 S. Pearl Street
	Columbus, OH 43206
	Rex Plouck
	614-444-5144
	rplouck@teamadvocate.com
*****9875	

<b>STATE</b>	<b>Program Manager</b>	Joshua Wilson	DTMB
		517-284-7027	
		wilsonj31@michigan.gov	
	<b>Contract Administrator</b>	Joshua Wilson	DTMB
		(517) 284-7027	
		wilsonj31@michigan.gov	

**CONTRACT SUMMARY**

PROGRAM MANAGEMENT OFFICE (PMO) STAFFING SERVICES FOR PREQUALIFICATION PROGRAM - STATEWIDE

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
February 1, 2017	January 31, 2020	2 - 1 Year	January 31, 2020

PAYMENT TERMS	DELIVERY TIMEFRAME
	N/A

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

N/A

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
\$200,000.00	\$0.00	\$200,000.00

**DESCRIPTION**

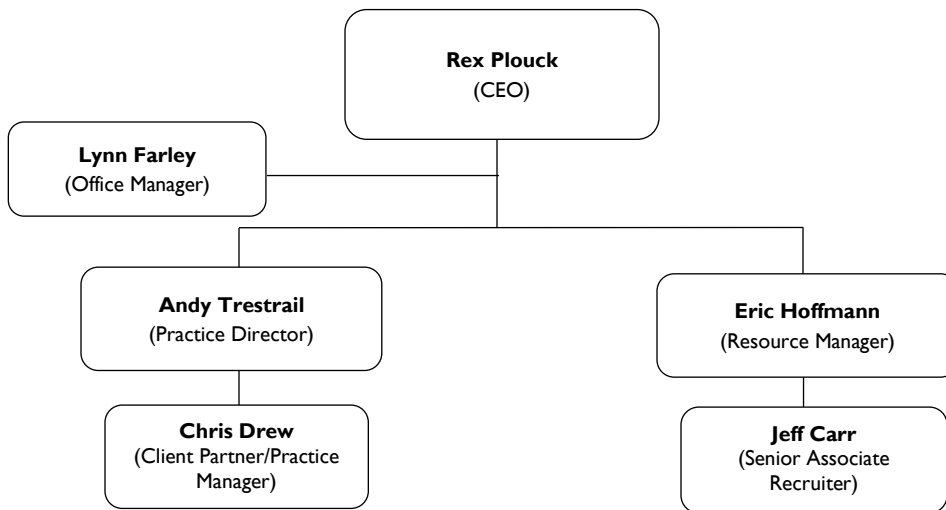
Effective June 1, 2017 Contractor's contact has been changed to Rex Plouck. Please note, Exhibit A, Section 6.4. Organizational Chart is hereby updated per the attached. All other terms, conditions, specifications, and pricing remain the same per Contractor and Agency agreement, and per DTMB Procurement approval.

# STATE OF MICHIGAN

Contract No. 071B7700065  
Program Management Office (PMO) Staffing Services for Prequalification Program - Statewide

## EXHIBIT A CHANGE NOTICE NO. 1 - STATEMENT OF WORK CONTRACT ACTIVITIES

### 6.4. Organizational Chart





**STATE OF MICHIGAN  
ENTERPRISE PROCUREMENT**

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

**NOTICE OF CONTRACT**

CONTRACT NO. **071B7700065**

between  
THE STATE OF MICHIGAN  
and

<b>CONTRACTOR</b>	Advocate Solutions, LLC
	762 S. Pearl Street
	Columbus, OH 43206
	Frank Carchedi
	614-444-5144
	fcarchedi@teamadvocate.com
	****9875

<b>STATE</b>	Program Manager	Joshua Wilson	DTMB
		517-284-7027	
		WilsonJ31@michigan.gov	
	Contract Administrator	Joshua Wilson	DTMB
		517-284-7027	
		WilsonJ31@michigan.gov	

<b>CONTRACT SUMMARY</b>			
<b>DESCRIPTION:</b> Program Management Office (PMO) Staffing Services for Prequalification Program – Statewide			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
2/1/2017	1/31/2020	Two-One Year	
PAYMENT TERMS		DELIVERY TIMEFRAME	
NET 45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			
MISCELLANEOUS INFORMATION			
THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing RFP No. 0071116B0008743. Orders for delivery will be issued directly by Departments through the issuance of a Purchase Order Form			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			<b>\$200,000.00</b>

**FOR THE CONTRACTOR:**

Advocate Solutions  
**Company Name**

\_\_\_\_\_  
**Authorized Agent Signature**

\_\_\_\_\_  
**Authorized Agent** (Print or Type)

\_\_\_\_\_  
**Date**

**FOR THE STATE:**

\_\_\_\_\_  
**Signature**

Tom Falik, Division Director - Services  
**Name & Title**

DTMB – Procurement  
**Agency**

\_\_\_\_\_  
**Date**



# STATE OF MICHIGAN

## STANDARD CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and Advocate Solutions, LLC (“**Contractor**”), a Ohio Corporation. This Contract is effective on February 1, 2017 (“**Effective Date**”), and unless terminated, expires on January 31, 2020.

This Contract may be renewed for up to two-one year period(s). 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 **Exhibit A – Statement of Work** (the “**Contract Activities**”). An obligation to provide delivery of any commodity is considered a service and is a Contract Activity.

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

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

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

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

If to State:	If to Contractor:
Joshua Wilson 525 W. Allegan St. Lansing, MI 48909 WilsonJ31@michigan.gov 517-284-7027	Rex Plouck 762 S Pearl St. Columbus Ohio, 43206 rplouck@teamadvocate.com 614-444-5144



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

State:	Contractor:
Joshua Wilson 525 W. Allegan St. Lansing, MI 48909 WilsonJ31@michigan.gov 517-284-7027	Rex Plouck 762 S Pearl St. Columbus Ohio, 43206 rplouck@teamadvocate.com 614-444-5144

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

State:	Contractor:
Joshua Wilson 525 W. Allegan St. Lansing, MI 48909 WilsonJ31@michigan.gov 517-284-7027	Andy Trestrail 115 W. Allegan Street Suite 450 Lansing MI Atrestrail@teamadvocate.com 248-321-1767

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

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

Required Limits	Additional Requirements
<b>Commercial General Liability Insurance</b>	
<u>Minimal Limits:</u> \$1,000,000 Each Occurrence Limit \$1,000,000 Personal & Advertising Injury Limit \$2,000,000 General Aggregate Limit \$2,000,000 Products/Completed Operations  <u>Deductible Maximum:</u> \$50,000 Each Occurrence	Contractor must have their policy endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 0.
<b>Umbrella or Excess Liability Insurance</b>	
<u>Minimal Limits:</u> \$5,000,000 General Aggregate	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.
<b>Automobile Liability Insurance</b>	



<p><u>Minimal Limits:</u> \$1,000,000 Per Occurrence</p>	<p>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.</p>
<p><b>Workers' Compensation Insurance</b></p>	
<p><u>Minimal Limits:</u> Coverage according to applicable laws governing work activities.</p>	<p>Waiver of subrogation, except where waiver is prohibited by law.</p>
<p><b>Employers Liability Insurance</b></p>	
<p><u>Minimal Limits:</u> \$500,000 Each Accident \$500,000 Each Employee by Disease \$500,000 Aggregate Disease.</p>	
<p><b>Professional Liability (Errors and Omissions) Insurance</b></p>	
<p><u>Minimal Limits:</u> \$3,000,000 Each Occurrence \$3,000,000 Annual Aggregate</p> <p><u>Deductible Maximum:</u> \$50,000 Per Loss</p>	

If any of the required policies provide **claims-made** coverage, the Contractor must: (a) provide coverage with a retroactive date before the effective date of the contract or the beginning of Contract Activities; (b) maintain coverage and provide evidence of coverage for at least three (3) years after completion of the Contract Activities; and (c) if coverage is canceled or not renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, Contractor must purchase extended reporting coverage for a minimum of three (3) years after completion of work.

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

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

7. **Administrative Fee and Reporting.** Contractor must pay an administrative fee of 1% on all payments made to Contractor under the Contract including transactions with the State (including its departments, divisions, agencies, offices, and commissions), MiDEAL members, and other states (including governmental subdivisions and authorized entities). Administrative fee payments must be made by check payable to the State of Michigan and mailed to:

Department of Technology, Management and Budget



Cashiering  
P.O. Box 30681  
Lansing, MI 48909

Contractor must submit an itemized purchasing activity report, which includes at a minimum, the name of the purchasing entity and the total dollar volume in sales. Reports should be mailed to DTMB-Procurement.

The administrative fee and purchasing activity report are due within 30 calendar days from the last day of each calendar quarter.

8. **Extended Purchasing Program.** This contract is extended to MiDEAL members. MiDEAL members include local units of government, school districts, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is available at [www.michigan.gov/mideal](http://www.michigan.gov/mideal). Upon written agreement between the State and Contractor, this contract may also be extended to: (a) State of Michigan employees and (b) other states (including governmental subdivisions and authorized entities).

If extended, Contractor must supply all Contract Activities at the established Contract prices and terms. The State reserves the right to impose an administrative fee and negotiate additional discounts based on any increased volume generated by such extensions.

Contractor must submit invoices to, and receive payment from, extended purchasing program members on a direct and individual basis.

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





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

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

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

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

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

17. **Delivery.** Contractor must deliver all Contract Activities F.O.B. destination, within the State premises with transportation and handling charges paid by Contractor, unless otherwise specified in Exhibit A. All containers and packaging becomes the State's exclusive property upon acceptance.



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

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

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

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



State to liability; (d) breaches any of its material duties or obligations; or (e) fails to cure a breach within the time stated in a notice of breach. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

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

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

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



liable); and (d) any acts or omissions of Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

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

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

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

27. **Infringement Remedies.** If, in either party's opinion, any piece of equipment, software, commodity, or service supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment, software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.
28. **Limitation of Liability.** The State is not liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.
29. **Disclosure of Litigation, or Other Proceeding.** Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor, that arises during the term of the Contract, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or (2) a governmental or public entity's claim or written allegation of fraud; or (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract.
30. **Reserved.**
31. **State Data.**
- a. **Ownership.** The State's data ("**State Data**," which will be treated by Contractor as Confidential Information) includes: (a) the State's data collected, used, processed, stored, or generated as the result of the Contract Activities; (b) personally identifiable information ("**PII**") collected, used, processed, stored, or generated as the result of the Contract Activities, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements here listed; and, (c) personal health information ("**PHI**") collected, used, processed, stored, or generated as the result of the Contract Activities, which is



defined under the Health Insurance Portability and Accountability Act (HIPAA) and its related rules and regulations. State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State. This Section survives the termination of this Contract.

- b. Contractor Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Contract Activities, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Contract Activities. Contractor must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Contract Activities, such use and disclosure being in accordance with this Contract, any applicable Statement of Work, and applicable law; and (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor's own purposes or for the benefit of anyone other than the State without the State's prior written consent. This Section survives the termination of this Contract.
- c. Extraction of State Data. Contractor must, within five (5) business days of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Contractor), an extract of the State Data in the format specified by the State.
- d. Backup and Recovery of State Data. Unless otherwise specified in Exhibit A, Contractor is responsible for maintaining a backup of State Data and for an orderly and timely recovery of such data. Unless otherwise described in Exhibit A, Contractor must maintain a contemporaneous backup of State Data that can be recovered within two (2) hours at any point in time.
- e. Loss of Data. In the event of any act, error or omission, negligence, misconduct, or breach that compromises or is suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor must, as applicable: (a) notify the State as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State; (c) in the case of PII or PHI, at the State's sole election, (i) notify the affected individuals who comprise the PII or PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within 5 calendar days of the occurrence; or (ii) reimburse the State for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twenty-four (24) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence; (g) be responsible for recreating lost State Data in the manner and on the Exhibit set by the State without charge to the State; and, (h) provide to the State a detailed plan within 10 calendar days of the occurrence describing the measures Contractor will undertake to prevent a future occurrence. Notification to affected individuals, as described above, must



comply with applicable law, be written in plain language, and contain, at a minimum: name and contact information of Contractor's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Contractor has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Contractor. This Section survives the termination of this Contract.

32. **Non-Disclosure of Confidential Information.** The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties. The provisions of this Section survive the termination of this Contract.

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



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

**33. Data Privacy and Information Security.**

- a. Undertaking by Contractor. Without limiting Contractor's obligation of confidentiality as further described, Contractor is responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of the State Data; (b) protect against any anticipated threats or hazards to the security or integrity of the State Data; (c) protect against unauthorized disclosure, access to, or use of the State Data; (d) ensure the proper disposal of State Data; and (e) ensure that all employees, agents, and subcontractors of Contractor, if any, comply with all of the foregoing. In no case will the safeguards of Contractor's data privacy and information security program be less stringent than the safeguards used by the State, and Contractor must at all times comply with all applicable State IT policies and standards, which are available to Contractor upon request.
- b. Audit by Contractor. No less than annually, Contractor must conduct a comprehensive independent third-party audit of its data privacy and information security program and provide such audit findings to the State.
- c. Right of Audit by the State. Without limiting any other audit rights of the State, the State has the right to review Contractor's data privacy and information security program prior to the commencement of Contract Activities and from time to time during the term of this Contract. During the providing of the Contract Activities, on an ongoing basis from time to time and without notice, the State, at its own expense, is entitled to perform, or to have performed, an on-site audit of Contractor's data privacy and information security program. In lieu of an on-site audit, upon request by the State, Contractor agrees to complete, within 45 calendar days of receipt, an audit questionnaire provided by the State regarding Contractor's data privacy and information security program.
- d. Audit Findings. Contractor must implement any required safeguards as identified by the State or by any audit of Contractor's data privacy and information security program.



- e. State's Right to Termination for Deficiencies. The State reserves the right, at its sole election, to immediately terminate this Contract or a Statement of Work without limitation and without liability if the State determines that Contractor fails or has failed to meet its obligations under this Section.

34. **Reserved.**

35. **Reserved.**

36. **Records Maintenance, Inspection, Examination, and Audit.** The State or its designee may audit Contractor to verify compliance with this Contract. Contractor must retain, and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to the Contract through the term of the Contract and for 4 years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Audit Period**"). If an audit, litigation, or other action involving the records is initiated before the end of the Audit Period, Contractor must retain the records until all issues are resolved.

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

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

37. **Warranties and Representations.** Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (c) the Contract Activities will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) Contractor must assign or otherwise transfer to the State or its designee any manufacturer's warranty for the Contract Activities; (e) the Contract Activities are merchantable and fit for the specific purposes identified in the Contract; (f) the Contract signatory has the authority to enter into this Contract; (g) all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information, and Contractor will inform the State of any material adverse changes; and (h) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under Section 23, Termination for Cause.

38. **Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.





39. **Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations.
40. **Reserved.**
41. **Reserved.**
42. **Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or mental or physical disability. Breach of this covenant is a material breach of this Contract.
43. **Unfair Labor Practice.** Under MCL 423.324, the State may void any Contract with a Contractor or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.
44. **Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in Michigan Court of Claims. Contractor consents to venue in Ingham County, and waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint agents in Michigan to receive service of process.
45. **Non-Exclusivity.** Nothing contained in this Contract is intended nor will be construed as creating any requirements contract with Contractor. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Contract Activities from other sources.
46. **Force Majeure.** Neither party will be in breach of this Contract because of any failure arising from any disaster or acts of god that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Contractor will not be relieved of a breach or delay caused by its subcontractors. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.
47. **Dispute Resolution.** The parties will endeavor to resolve any Contract dispute in accordance with this provision. The dispute will be referred to the parties' respective Contract Administrators or Program Managers. Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute to a senior executive if unable to resolve the dispute within 15 business days. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.

Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' senior executive and either concludes that resolution is unlikely, or fails to respond within 15 business days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This Section does not limit the State's right to terminate the Contract.



48. **Media Releases.** News releases (including promotional literature and commercial advertisements) pertaining to the Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions of the State.
49. **Website Incorporation.** The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.
50. **Entire Agreement and Order of Precedence.** This Contract, which includes Exhibit A – Statement of Work, and expressly incorporated Exhibits 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 Exhibits, exhibits, and Exhibit A – Statement of Work; (b) second, Exhibit A – Statement of Work as of the Effective Date; and (c) third, Exhibits expressly incorporated into this Contract as of the Effective Date. NO TERMS ON CONTRACTOR'S INVOICES, ORDERING DOCUMENTS, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE CONTRACT ACTIVITIES WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE, EVEN IF ACCESS TO OR USE OF THE CONTRACT ACTIVITIES REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.
51. **Severability.** If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.
52. **Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
53. **Survival.** The provisions of this Contract that impose continuing obligations, including warranties and representations, termination, transition, insurance coverage, indemnification, and confidentiality, will survive the expiration or termination of this Contract.
54. **Contract Modification.** This Contract may not be amended except by signed agreement between the parties (a "**Contract Change Notice**"). Notwithstanding the foregoing, no subsequent Statement of Work or Contract Change Notice executed after the Effective Date will be construed to amend this Contract unless it specifically states its intent to do so and cites the section or sections amended.



## STATE OF MICHIGAN

Contract No. 071B7700065

Program Management Office (PMO) Staffing Services for Prequalification Program – Statewide

### EXHIBIT A STATEMENT OF WORK CONTRACT ACTIVITIES

#### 1.0 PROJECT REQUEST

This Contract is for Program Management Office (PMO) Staffing Services for statewide prequalification program. Statewide Prequalification Program: Statewide PMO Staffing Service prequalification program on a fast-track, as-needed basis.. Contractors are be eligible to bid on Statements of Work (SOWs) issued by individual State agencies or local units of government. The Contractor(s) selected by State agencies or local units will be issued purchase orders for which the terms will be governed by this Contract and the SOW. This Contact may be re-issued on an annual basis to allow for new Contractors to enter the pre-qualification program. Pre-qualified Contractor(s) will not be required to respond to the annual solicitation to retain current contracts This Contract will also be available to other State Departments, MiDEAL members (authorized local units of government) and Extended Purchasing Program.

#### 2.0 BACKGROUND

The State seeks to establish a statewide PMO Staffing Service prequalification program.

PMO staff include Senior Program Director, Organizational Change Coordinator, Financial Analyst, Business Integration Lead, Senior PMO Manager, Project Coordinator, Project Manager, Operational Readiness Coordinator, Business Delivery Liaison, Senior Business Analyst, Business Analyst, Technical Writer, Training Specialist, Project Scheduler, Senior Program Manager, Program Manager and Operations Manager. The ensuing projects will require aggressive scope control and task orchestration to reach critical timelines and deliverables to ensure the timely implementation. The State recognizes that to meet this aggressive schedule and limit risks, thorough planning and preparation are required. Early implementation of the PMO is necessary to establish this planning and other key processes crucial to quick project startup.

PMO Staffing Services would assist the State of Michigan (State) with facilitating, streamlining and managing the various levels of governance and project Management Structures. PMO Services include identifying resource shortfalls, bridging resource gaps, and the facilitation of duties transition from Contractor to State staff to ensure leadership priorities and strategic objectives are met.

#### 3.0 REQUIREMENTS

3.1 Reserved

3.2 Contractor must provide staff to establish a statewide PMO Staffing Service prequalification program on a fast-track, as-needed basis.

- A. Provide services as required by SOW issued by any individual agency or MiDEAL Members. While each SOW will contain unique service levels and requirements, general staffing needs may include but are not limited to PMO Staff Roles and Responsibilities in Exhibit D.
- B. The State or MiDEAL Members will issue each SOW to all pre-qualified Contractors on Buy4Michigan.com. The SOW will identify the deliverables, period of performance, specific response information required, work evaluation and payment criteria, and any additional terms and conditions



that may apply to that SOW. The process for the State or MiDEAL Members issuing and the Contractor(s) responding to an SOW follows:

1. Issue an SOW to all pre-qualified Contractors within that service region (and to all statewide Contractors) with a timeline including due dates for questions, due dates for responses, and period of performance.
  2. Contractor responses must follow criteria required in each SOW. Contractor pricing must not exceed rates provided in Exhibit C.
  3. The State or local unit's selection will be based on a best value evaluation using the criteria identified in the SOW. Other selection criteria or tools which may be in the best interest of the State or local unit
- 3.3 Contractors must follow the PMM adopted by the State including standards for project management, systems engineering, and associated forms and templates at <http://www.michigan.gov/suite>. Staff must rigorously follow the PMM to manage on-time delivery of projects. More detail on the State PMM can be found at [www.michigan.gov/projectmanagement](http://www.michigan.gov/projectmanagement). This methodology includes the following standard project phases:
- Initiation
  - Planning
  - Execution
  - Control
  - Closeout.

#### 3.4 Reserved

#### 3.5 Program Maintenance:

The State or MiDEAL members will perform a post project review of services delivered by the Contractor. The review will be provided to the Contract Administrator and will include recommendations regarding the Contractor's continuation on the pre-qualified list. Negative reviews may result in Contractor being removed from the pre-qualification program for a minimum of a one-year period. Contractor may submit a proposal when RFP is re-issued to be added to the pre-qualification program again.

After each year of the Contract, the State of Michigan will evaluate the pre-qualification program to determine if the Contractor) did not bid on any Statements of Work in the second tier program, the Contractor will be removed from the pre-qualified program. To be re-added, the Contractor must submit a proposal when the RFP is re-issued.

### 4. General Requirements

#### 4.1 Training

Create and deliver training program to support program/project requirements to include the following elements:

1. Conduct Training Needs Assessment.
2. Curriculum Design.
3. Training Schedule.
4. Training Development/Delivery.
5. Measure the Effectiveness of Training.



## 5. Acceptance

### 5.1 Acceptance, Inspection and Testing

The State will use the criteria in Section 16, Acceptance, of the Standard Contract Terms to determine acceptance of the Contract Activities:

## 6. Staffing

### 6.1 Contractor Representative

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

Contractor Representative: Frank Carchedi.

The Contractor must notify the Contract Administrator at least 14 calendar days before removing or assigning a new Contractor Representative.

### 6.2 Work Hours

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

### 6.3 Key Personnel

- A. The Contractor must appoint individuals who will be directly responsible for the day-to-day operations of the Contract ("Key Personnel"). Key Personnel must be specifically assigned to the State account, be knowledgeable on the contractual requirements, and respond to State inquiries within 24 hours.
- B. Key Personnel must be assigned as defined by the SOW and identified in Exhibit D.
- C. Contractor's Key Personnel must be on-site at their designated worksite during the following times: 8:00 am to 5:00 pm EST.
- D. The State has the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, introduce the individual to the State's Project Manager, and provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. The State may require a 30-calendar day training period for replacement personnel.
- E. Contractor will not remove any Key Personnel from their assigned roles on this Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). An Unauthorized Removal does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel's employment. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to terminate this Contract for cause under Termination for Cause in the Standard Terms. It is further acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of this Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under

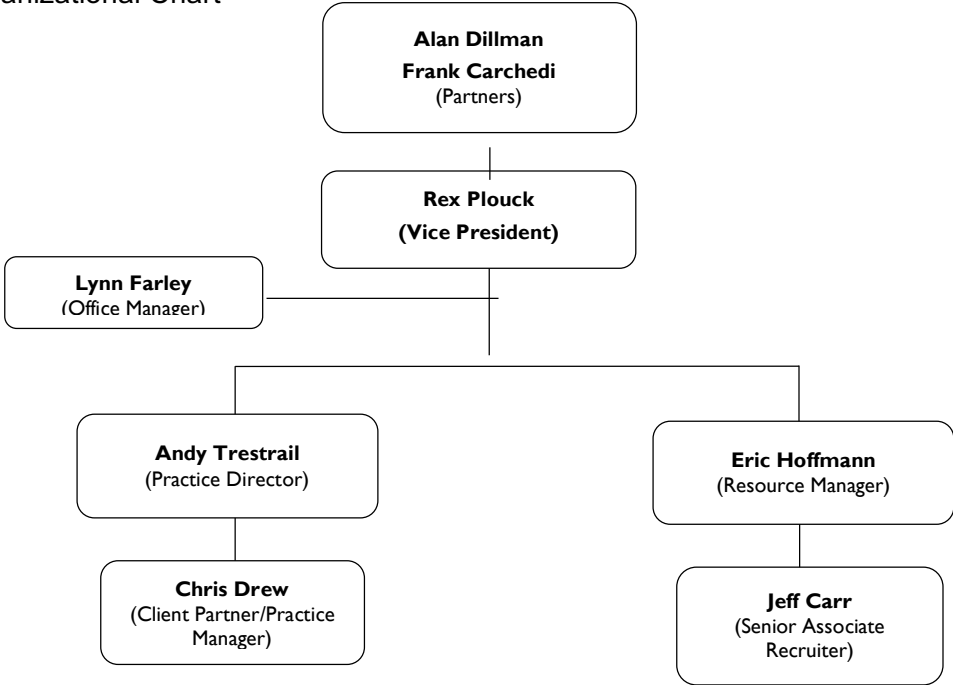


Termination for Cause, Contractor will issue to the State the corresponding credits set forth below (each, an “Unauthorized Removal Credit”):

- (i) For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the credit amount will be \$25,000.00 per individual if Contractor identifies a replacement approved by the State and assigns the replacement to shadow the Key Personnel who is leaving for a period of at least 30 calendar days before the Key Personnel’s removal.
- (ii) If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 calendar days, in addition to the \$25,000.00 credit specified above, Contractor will credit the State \$833.33 per calendar day for each day of the 30 calendar-day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$25,000.00 maximum per individual. The total Unauthorized Removal Credits that may be assessed per Unauthorized Removal and failure to provide 30 calendar days of shadowing will not exceed \$50,000.00 per individual.

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

6.4 Organizational Chart



6.5 Disclosure of Subcontractors

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

- Legal business name
- Address
- Telephone Number
- Description of contractor organization and services to be provided



- Information on subcontractor's ability to perform the contracted activities
- Relationship with subcontractor to the contractor, any previous experience with the subcontractor
- A complete description of the contract activities that will be performed by the subcontractor.
- Contactor must include the price of the Subcontractor's portion of the bid.

## 6.6 Security

The Contractor must ensure the security of State facilities.

The Contractor's staff may be required to make deliveries to or enter State facilities. The Contactor must: (a) perform background check, (b) identify the company that will perform background checks, and (d) the scope of the background checks. The State may require the Contractor's personnel to wear State issued identification badges.

## 7. Project Management

### 7.1. Project Plan

A. Reserved.

B. The Contractor will carry out this project under the direction and control of the Program Manager. Within 7 calendar days of the Effective Date, the Contractor must submit a project plan to the State Program Manager for final approval. This final project plan must be consistent with responses to the Statement of Work, and be accepted by the State, and must include the following:

1. The Contractor's project organizational structure.
2. The Contractor's Staffing Plan with names and titles of personnel assigned to the project. This must be in agreement with staffing described in Section 6.3. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
3. The project breakdown showing sub-projects, activities and tasks and resources required and allocated to each.
4. The time-phased plan in the form of a graphic display, showing each event, task and decision point in the Contractor's work plan.

### 7.2 Meetings

The Contractor must attend the following meetings:

1. Weekly reporting meetings via conference call or onsite face-to-face meetings.
2. Monthly reporting of project onsite at the project Steering Committee meetings.
3. Quarterly update meeting onsite regarding project performance.
4. The State may request other meetings, as it deems appropriate.

### 7.3 Reporting

- A. Contractor must report project progress and communicate relevant information to stakeholders and management.
- B. The Contractor must submit to the State Program Manager a Bi-weekly Status Report by the 15<sup>th</sup> and 30<sup>th</sup> of each month from the start of the project until the completion of the project or mutually agreed by the State Program Manager and the Contractor.



- C. Reporting formats must be submitted to the State's Program Manager for approval within 10 business days after the Contract Effective Date. The Contractor must use as its base the State's PMM Project Status Report SUITE template.
- D. The Contractor's reports must have the capacity to capture the following data elements, and others as needed, based on State reporting purposes:
1. Overall Project Status
  2. Milestones
  3. Milestone Status
  4. Tasks
  5. Task Status
  6. Responsible Party
  7. Assignment Date
  8. Start Date
  9. End Date
  10. Issues
  11. Issue Status
- E. The Contractor must provide an interface or exported data in a flat file format to allow for importing standardized data variables as required for State reporting requirements.

## **8. Ordering**

### **8.1 Authorizing Document**

The appropriate authorizing document for the Contract will be a signed Blanket Purchase Order/Contract and Purchase Order release.

## **9. Invoice and Payment**

### **9.1 Invoice Requirements**

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

### **9.2 Payment Methods**

The State will make electronic funds transfer payments for Contract Activities

## **10. Liquidated Damages**

Late or improper completion of the Contract Activities will cause loss and damage to the State and it would be impracticable and extremely difficult to fix the actual damage sustained by the State. Therefore, if there is late or improper completion of the Contract Activities the State is entitled to collect liquidated damages in the amount of \$500 and an additional \$500 per day for each day Contractor fails to remedy the late or improper completion of the Work in Exhibit A, Statement of Work.





**STATE OF MICHIGAN**

Contract No. 071B7700065  
Program Management Office (PMO) Staffing Services for Prequalification Program – Statewide

**EXHIBIT B**  
**Reserved**



**STATE OF MICHIGAN**

Contract No. 071B7700065  
 Program Management Office (PMO) Staffing Services for Prequalification Program – Statewide

**EXHIBIT C  
 PRICING**

1. Pricing Summary

<b>Proposed Staff</b>	<b>Not To Exceed Hourly Rate</b>
Project Scheduler	\$140
Financial Analyst	\$120
Operational Readiness Coordinator	\$115
Operational Change Coordinator	\$105
Training Specialist	\$130
Business Integration Lead	\$190
Technical Writer	\$120
Senior Business Analyst	\$160
Business Analyst	\$140
Business Delivery Liaison	\$120
Business Integrator	\$160
Senior Program Manager	\$250
Project Coordinator	\$160
Senior PMO Manager	\$225
Project Manager	\$180
Program Manager	\$200
Senior Program Director	\$250

- Pricing is all inclusive.

**STATE OF MICHIGAN**

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## **Exhibit D**

### ***PMO Staff Roles and Responsibilities***

#### **A. Program Manager**

The Program Manager has overarching responsibility for Project Managers. The Program Director works collaboratively with the Portfolio Manager.

##### **Responsibilities include:**

1. Provide program management for projects ensuring that the work adheres to State standard methodologies.
2. Provides recommendations for improvement of project management processes currently in use.
3. Performs training, mentoring, and knowledge transfer as assigned.
4. Manages and oversees large, long range, or multiple complex projects.
5. Assists in creating RFPs and evaluating vendor proposals as a non-voting member
6. Assigns work to project team member to meet project or program objectives.
7. Establishes and monitors program or project priorities, objectives, and procedures, determining area objectives, targets of service, and resource needs allocation.
8. Provides leadership and direction to the project team to ensure successful project completion, including development and management of project Exhibits.
9. Develops and maintains records, prepares reports, and composes correspondence relative to the work, including forming meeting agendas and transcribing meeting minutes, as required.
10. Coordinates work activities by scheduling staff assignments, setting work priorities, and directing the work of assigned employees, (including contractual).
11. Uses state of Michigan standard methodologies such as the State Unified Information Technology Environment (SUITE), Systems Engineering Methodology (SEM), and Project Management Methodology (PMM) in the maintenance, development, enhancement, and deployment of projects.
12. Maintains awareness of emerging project management techniques.
13. Oversee large programs of work that involve multiple individual projects. Sort and prioritize grouped projects that are similar in nature.
14. Coordinate projects that are running simultaneously or sequentially to ensure collaboration and communication between project functions.

#### **B. Program Director**

The Program Director has overarching responsibility for Program and Project Managers. The Program Director works collaboratively with the State Program Manager.

##### **Responsibilities include:**

1. Ensures executive leadership priorities and strategic objectives are met
2. Works directly with the Program Manager to ensure the PMO's are functioning in an efficient manner
3. Provides oversight of the projects portfolio and ensures they represent the strategic vision.
4. Represents Program and Portfolio Management as part of the Executive Leadership committees.
5. Escalates issues and decisions to executives as necessary
6. Establishes and encourages the use of sound Portfolio, Program, Project Management disciplines

#### **C. Organizational Change Coordinator**

The Organizational Change Management Coordinator is responsible for implementing a plan for ongoing change management which anticipates and effectively plans for the issues and potential risks associated with organizational changes. The goal of change management is the successful design, implementation,



measurement, adoption and maintenance of an organization's change initiatives and increasing the organization's capacity for managing change.

**Responsibilities include:**

1. Prepares leadership at all levels to sponsor change and to be effective change agents
2. Prepares employees and Departments for change, reducing disruption and improving work quality during implementation
3. Provides effective sponsorship, training, communications and performance support
4. Reinforces the importance of maintaining good customer service and productivity levels throughout the organization
5. Plans and implements changes with a focus on increasing employee confidence.
6. Ensures that those affected by change have a common view of the change and its impact so that transition issues can be identified and addressed in the most effective manner.
7. Addresses concerns and accelerates the adoption of new processes and technology that boost organizational effectiveness and efficiency.
8. Develops a plan for ongoing, effective communication related to anticipated and planned change.
9. Works in conjunction with the Operational Readiness Coordinator to blend all project level activities, as these activities have a direct effect on operations.
10. Provides Workforce Development improvements and provides metrics to measure improvement in targeted areas.

**D. Financial Analysts**

The Financial Analyst serves as the internal point of contact to collaborate and communicate all project cost management procedures and controls for any budgetary or quantitative numbers related to managing and tracking portfolio work.

**Responsibilities include:**

1. Monitor and report on budget vs. spend plans for all work associated with project prioritization, startup, and execution
2. Update monthly expenditure tracking ledgers with the prior months incurred expenses
3. Reconcile invoices as they are received monthly from the State and vendor partners
4. Assist Project Manager(s) with developing high level budgets for upcoming projects.
5. Work with Project Managers to keep them updated on their project budget(s) status and help facilitate the change control process where there is a cost impact associated
6. Serve as owner of project cost management procedures and controls

**E. Business Integration Lead**

The Business Integration Lead provides overall direction and guidance in relation to gathering and defining requirements. Serving as the business integrator, this role brings collaboration and timely resolution of key business issues.

**Responsibilities include:**

1. Collaborates with business partners, vendors, federal government, and other state agencies to ensure an integrated enterprise approach to meeting goals and objectives in project execution
2. Provides business decision support and maintain alignment on all major initiatives
3. Ensures linkage to the central regulatory clearinghouse and Policy Traceability Assessments
4. Assists the project teams to document and mitigate Program/Project level Risks, Issues, and Change Controls
5. Serves as the single point-of-contact for business requirements and ensuring that all business requirements are understood by the project team throughout the SDLC lifecycle



6. Leads, and mentors all team members involved in BIC requirements activities, exercising appropriate control over the outcome and accuracy of data and global deliverables.
7. Ensures that operational governance over the solutions, data and processes has been established and implement the governance prior to the actual go live
8. Serves as key contributor to Statement of Work creation and procurement coordination

## **F. PMO Manager**

The PMO Manager has overarching responsibility for planning, organizing, and controlling the PMO work as defined by project teams. The PMO Manager communicates Program & Project status to the PMO Leadership Team.

### **Responsibilities include:**

1. Ensures executive leadership priorities and strategic objectives are met working closely with the Program Leadership Team and to regularly communicate project status across the leadership teams
2. Overall accountability for the PMO as it pertains to scope, Exhibit, issues, risk, quality, resources, communication, and finances.
3. Works closely with the Program Leadership chairperson to develop materials for presentation at Executive Steering Committee meeting when required
4. Facilitates the Program Ownership Status Meetings and provide program and project status updates
5. Facilitates the Program Leadership Status Meetings and provide program and project status updates
6. Monitors team dynamics and team accountability related to delivery commitments
7. Manages (e.g., tracking, updating, reviewing) the program dashboard and executive reports using metric data
8. Establishes and enforces the use of sound Project Management disciplines

## **G. Project Coordinators**

The Project Coordinator is responsible for organizing, scheduling, and facilitating meetings. In addition, they act as scribe and ensure minutes and other meeting documents are disseminated to team members.

### **Responsibilities include:**

1. Provides support for any project activity. Examples include scheduling meetings, managing documents, developing agendas and managing meeting minutes.
2. Arranges meetings using State of Michigan conference facilities, as well as external facilities provided by State of Michigan partners.
3. Facilitates portions of meeting as requested by the leader
4. Provides follow-up on Action Items from meetings
5. Executes special or continuous research and data analysis tasks as assigned
6. Analyzes problems, determining viable approaches to resolve problems
7. Compiles and analyzes data, and prepares reports/recommendations on behalf of the Teams
8. Contacts personnel at all organizational levels to gather information and prepare assigned reports

## **H. Project Managers**

The Project Managers have overarching responsibility for their assigned projects. All project managers work directly with the PMO Manager. The PMO Manager defines, Exhibits, controls, and adjusts all tasks and workloads of the projects. They are responsible for guiding and ensuring their teams are adhering to the disciplines of processes.

### **Responsibilities include:**



1. They will train/guide all resources to adhere to these disciplines. They must also manage and track project issues and risks while ensuring that all project commitments are met. They communicate project status to customers and management. Responsible to guide, lead, and mentor the project teams
2. Responsible for the Departments relationships and to hold the teams accountable to the project Exhibit
3. Responsible for the project vendor relationship and to hold the vendor teams accountable to the project Exhibit
4. Producing Project Start-Up and Planning documentation and conduct reviews of associated materials
5. Ensuring the Project Team's adherence to the project's standards and procedures
6. Overall responsibility for the project activities, including managing project scope, risk, issues, deliverables, and the scheduling of tasks
7. Monitoring team dynamics and team accountability related to delivery commitments
8. Working with the PMO Manager to communicate project status across the BIC organization
9. Assigning project tasks and coordinating resources including the review of individual issues and concerns (e.g., vacation (time off) requests) and resolving or escalating issues, as necessary
10. Tracking all identified risks to closure and communicating the status to the PMO Manager
11. Conducting project walkthroughs and the overall quality of project deliverables
12. Coordinating with the Integration Lead to ensure business requirement sessions are consistent in both approach and format
13. Establishing and maintaining required project metrics

#### **I. Operational Readiness Coordinator**

The Operational Readiness Coordinator is responsible for ensuring the success of the Project Implementation from the business function standpoint, working closely with the Project Teams. The Operational Readiness Coordinator is responsible for agency services related to Operational Readiness associated with the projects.

#### **Responsibilities include:**

1. Connects projects with the Business resources.
2. Provides processes and controls in the Operational Readiness functional area including but not limited to: communication requirements, business staff training requirements, outreach & support requirements, agency Public Information Officer (PIO) coordination, web site updates, and business documentation
3. Disseminates information and provides timely resolution of business issues requiring project decisions
4. Reviews and makes recommendations to the Project Teams regarding modifications to the project scope
5. Identifies and oversees development of training programs for Operational Readiness activities
6. Identifies and assist in development of business process redesign for Organizational Change Management activities. Reviews and approves the initial project business assumptions, risks, and issues
7. Serves as the point of contact for Project Teams that have questions or need additional information about Operational Readiness project scope

**J. Additional roles may include Business Delivery Liaison, Senior Business Analyst, Technical Writer, Training Specialist, Project Scheduler and Senior Program Manager.**