

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

AGREEMENT FOR PROFESSIONAL SERVICES

WITH

PINE GROVE HOUSING SERVICE LLC

THIS REVISED AND AMENDED AGREEMENT is made and entered into as of **December 31, 2018**, by and between the **Michigan State Housing Development Authority**, a public body corporate and politic, located at 735 E. Michigan Avenue, Lansing, Michigan 48912 ("**Authority**") and **Pine Grove Housing Service LLC**, a Michigan limited liability company, located at 3125 W Main St, #B, Kalamazoo, Michigan 49006 ("**Contractor**") for the purpose of **Housing Choice Voucher Administration for 2019**. (The Authority and the Contractor are collectively referred to as the "Parties").

WITNESSETH THAT:

It is agreed by and between the Parties that the Agreement executed on January 1, 2017 is hereby replaced in its entirety with this REVISED AND AMENDED AGREEMENT ("Agreement") and now constitutes the entire agreement of the Parties. The Parties further agree as follows:

1. **Services Rendered/Scope of Work.** The Contractor shall, in a satisfactory and proper manner as determined by the Authority, render the services described in Exhibit A – *Reserved* ("Exhibit A") and Exhibit B – *HCV Agent* ("Exhibit B"), which are attached and made a part of this Agreement.
2. **Term.** TIME IS OF THE ESSENCE to this Agreement in connection with the delivery of the products or services or both ("Products and Services") described in the *Scopes of Work* attached and incorporated into this Agreement as Exhibit A and Exhibit B. The

performance of Products and Services shall begin on or after the execution of this Agreement by the Authority and shall be completed no later than December 31, 2019.

3. **Contract.** Price and Payment.
 - a. The Authority will pay the Contractor as defined in Exhibit C – *Payment to Contractor* (“Exhibit C”) attached and incorporated into this Agreement.
 - b. Final payment shall be made upon the satisfactory completion and submission of all required work and documents as specified in Exhibit A, Exhibit B, and Exhibit D – *Performance Measures and Incentive Pay* (“Exhibit D”) attached and incorporated into this Agreement.

WORK PERFORMED OR PROVIDED PRIOR TO THE TERMS OF THIS AGREEMENT SHALL NOT BE ELIGIBLE FOR PAYMENT.

4. **Permits and Licenses.** The Contractor shall be responsible for obtaining any and all permits, licenses, and other proper authorization or permission-related documents required for the performance of this Agreement.
5. **Insurance.** The Contractor shall maintain professional liability insurance sufficient in the amount to provide coverage for any errors or omissions arising out of the performance of this Agreement. If, during the term of this Agreement, changed conditions should, in the judgment of the Authority, render inadequate the Contractor’s current insurance limits, the Contractor will furnish to the Authority proof of additional insurance as may be required. All insurance required under this Agreement shall be acquired at the Contractor’s expense, under valid and enforceable policies, issued by insurers of recognized responsibility. The Authority reserves the right to reject, as unacceptable, any insurer.

6. **Record Keeping.** The Contractor and the Authority shall maintain such personnel records, as are deemed necessary by the Authority, to assure a proper account for all engagement costs. These records will be made available for audit purposes to the Authority and the Auditor General of the State of Michigan, or any authorized representative, and will be retained for three years after the expiration of the Agreement unless permission to destroy them is granted by both the Authority and the State of Michigan.

If, at any time before the expiration of the records retention period of this Agreement, it is determined that the terms of this Agreement were not complied with or a claimed cost is disallowed following an audit, the Contractor shall immediately repay the funds at issue to the Authority. If an audit identifies any questioned costs in connection with the project, the Contractor shall forward to the Authority copies of schedules of findings and questioned costs, accompanied by a check made payable to the Authority in an amount equal to the funds which the Contractor received pursuant to this Agreement that are deemed a disallowed reimbursement through the audit including any fees or costs assessed by HUD or any other Federal or State financing agency.

7. **Nondiscrimination.** In accordance with Acts No. 220 and 453 of the Public Acts of 1976, as amended, the Contractor hereby agrees in connection with the performance of Products and Services under this Agreement not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, 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, familial status, or disability. Breach of this covenant may be regarded as a material breach of this Agreement.

8. **Failure to Perform.** In the event the Contractor fails to perform Products and Services required under this Agreement or performs Products and Services in an improper manner, the Parties agree that the damage that the Authority will sustain as a result thereof will be substantial and difficult, if not impossible, to ascertain. Therefore, the Parties agree that in the event the Contractor either fails to completely perform Products and Services or performs Products and Services in an improper manner, the Authority shall be entitled to a credit against the Contractor's current unpaid billings for amounts previously paid to the Contractor after the Contractor's non-performance or improper performance. For the purposes of the foregoing, the Parties agree that the Authority shall have sole discretion in determining the adequacy of the Contractor's performance and the amount of credit to be taken. The damages for the Contractor's inadequate or improper performance, as provided in this Agreement, shall not be exclusive, but shall be in addition to any other damages which the Authority may be entitled to for the Contractor's default under this Agreement.
9. **Assigned Personnel.** The Contractor warrants that the personnel it will assign to perform the Products and Services under this Agreement shall possess the requisite education, competence, and experience. The Contractor further acknowledges and agrees that such personnel may be subject to the evaluation and approval of the Authority, who shall retain the right to determine the sufficiency of the education, competence, and experience of the personnel assigned to perform the Products and Services identified in Exhibit A and Exhibit B attached and incorporated into this Agreement.
10. **Project Representatives.** The Contractor designates the following individuals as project representatives for all matters concerning this Agreement:

Christina Shepard, Owner
3125 W Main St, #B, Kalamazoo, Michigan 49006
Email: [REDACTED]
Office: [REDACTED]

The Authority designates the following individual as **Contract Administrator**/project representative to be the initial point of contact for all matters concerning this Agreement:

Dace Koenigskecht, Buyer
735 E. Michigan Avenue, Lansing, MI 48906
Email: [REDACTED]
Office: [REDACTED]

Except for changes to the performance schedule (not including the project's completion date), the designated project representatives shall have no authority to make promises or binding obligations on behalf of the Authority, as such authority rests with the duly authorized persons executing this Agreement.

11. **Employees of Contractor or Key Persons.**

- a. Definition of Key Person. **"Key Persons"** shall be defined in this Agreement as individuals performing the Products and Services pursuant to this Agreement and (a) have signed this Agreement on behalf of the Contractor and/or (b) are listed in Exhibit F – *Certificate Verifying Key Persons of the Contractor* ("Exhibit F") attached and incorporated into this Agreement. Key Persons include the names of all employees, agents, and subcontractors of the Contractor who perform or render Products and Services pursuant to this Agreement.
- b. Performance of Products and Services. The Contractor acknowledges that only Key Persons shall perform the Products and Services under this Agreement.
- c. Exhibit F - Certificate Verifying Key Persons. Prior to executing this Agreement, the Contractor shall provide to the Authority the names of all Key Persons by completing Exhibit F, which is the *Certificate Verifying Key Persons of the Contractor* or a Subcontractor, if applicable. In the event the Contractor fails to provide to the Authority the names of any Key Persons, the Parties shall consider the signatory for the Contractor to be the sole Key Person for the Contractor. **If the Contractor or**

Subcontractor wishes to *add* an agent, employee, or subcontractor as a Key Person during the term of this Agreement, the Contractor shall complete and submit to the Authority an additional or revised Certificate for that employee, agent, or subcontractor. (See Section 11a of this Agreement.) If the Contractor or Subcontractor wishes to *remove* an agent, employee, or subcontractor as a Key Person during the term of this Agreement, the Contractor shall submit the request in writing to the Authority at elitehelp@michigan.gov.

- d. 2007 PA 95, MCL 38.68c. The Contractor and its employees, agents, and subcontractors acknowledge 2007 PA 95, MCL 38.68c, as amended, requires retirees of the State Employees Retirement System (i.e., former state employees who have pensions with the State of Michigan) (“Pensioned Retirees”) who become employed by the State, either directly or indirectly through a contractual arrangement with another party, on or after October 1, 2007, to forfeit their state pension for the duration of their reemployment. Effective October 2, 2010, “employed by the state” includes engagements of pensioned retirees as independent contractors.

Pensioned retirees who provide or render Products and Services under this Agreement as key persons must forfeit their pensions during the term of this Agreement if the pensioned retiree (a) is employed by the State, (b) is employed by the Contractor, (c) is a holder of an ownership interest in the Contractor, (d) is a subcontractor of the Contractor, or (e) is an employee of a subcontractor.

The Contractor acknowledges and agrees to secure the Authority’s prior written consent before retaining, employing, or subcontracting with a pensioned retiree to perform Products and Services under this Agreement. Retaining, employing, or subcontracting with a pensioned retiree to perform Products and Services under this Agreement without the Authority’s prior written consent shall be (a) a material breach

of this Agreement and (b) grounds for the Authority to terminate this Agreement and provide notice to the Office of Retirement Services (“ORS”) that the retiree has received pension payments and payments directly or indirectly through this Agreement.

If the Contractor or subcontractor employs or retains a pensioned retiree as a key person or subcontracts with a pensioned retiree, the Contractor must submit a copy of the pensioned retiree’s directions to the ORS, identified as Exhibit G – *Retiree Rehire Certification* (“Exhibit G”) attached and incorporated into this Agreement, to withhold the retiree’s pension payments during the term of this Agreement.

The Contractor and the pensioned retirees it employs acknowledge and agree that neither the State, nor the Authority, nor its employees, directors, agents nor board shall be liable to the Contractor or pensioned retiree for the forfeiture of the retiree’s pension payments during or after the term of this Agreement. The Contractor and pensioned retiree acknowledge that the Authority has no responsibility to confirm whether the ORS has or will forfeit the retiree’s pension.

12. **Conflicts of Interest.** The Contractor acknowledges that its employees, members, shareholders, agents, or subcontractors and their employees, members, shareholders and agents, prior to or during the term of this Agreement are not employees of the State of Michigan or its units. Prior to the execution of this Agreement, the Contractor acknowledges and confirms that it has delivered to the Authority a written list of all interests of the Contractor, or its officers and employees, which may create conflicts between the interests of those entities or parties and the interests of the Authority. Should a constructive or actual conflict of interest arise during the term of this Agreement, the

Contractor shall report, whether suspected or confirmed, to the Authority's Director of Legal Affairs and the Chief Housing Solutions Officer promptly, but no later than one (1) business day, a detailed description of the conflict of interest.

13. **Prohibited Methods and Procedures.** The Contractor and its agents, subcontractors, employees, and representatives, in the course of the performance of Products and Services under this Agreement, shall not specify, recommend, use, or permit the use of any system, method, plan, design, process, procedure, patent, or copyright which, if used, infringes upon a proprietary interest or necessitates the payment of any royalty, fee, or commission. The Contractor shall not use or permit the solicitation for or securing of any agreement or employment in connection with this Agreement upon an agreement or arrangement for payment, either directly or indirectly, of a commission, percentage, brokerage, or contingent fee.

If Federal funds are used to pay the Contractor under this Agreement, no part of the money appropriated by any enactment of Congress shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this shall not prevent officers or employees of the United States or of its departments or agencies from communicating to members of Congress on the request of any member or to Congress, through the proper official channels, requests for legislation or appropriations which they deem necessary for the efficient conduct of the public business. 18 U.S.C. § 1913 (2002).

14. **Participation in Other Authority Programs.** With the exception of providing Products and Services to the Authority as described in Exhibit B of this Agreement, neither the Contractor nor the Contractor's employees, agents, officers, directors, shareholders, members, or subcontractors will participate in Authority housing programs or do business with the Authority under any program in which the Authority has a direct or indirect relationship without securing approval from the Authority's Director of Legal Affairs and the Chief Housing Solutions Officer. (See Section 12a of this Agreement.)

15. **Indemnity and Non-Limitation. Mich. Const. art. IX, § 18.** The Contractor agrees to defend, indemnify, and hold harmless the Authority from any claims, damages, or expenses, including reasonable attorneys' fees, arising or alleged to arise in whole or in part from damage or injury caused by or resulting from any action or inaction of the Contractor, its agents or employees, or sustained in connection with the violation of any law, statute, ordinance, or regulation by the Contractor, its agents or employees, or sustained in connection with the performance of this Agreement by the Contractor, its agents or employees, or sustained as a result of any breach of this Agreement by the Contractor.

In any and all claims against the Authority or any of its officers, agents, or employees by an employee of the Contractor, any subcontractor, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, the indemnification obligation under this section shall not be limited in any way by any limitation in the amount or type of damages, compensation, or benefits payable by or for the Contractor or by or for any subcontractor under worker's compensation acts, disability benefit acts, or other employee benefit acts.

16. **Nonassignability and Delegation.**

- a. The Contractor shall not assign or otherwise transfer any interest in this Agreement in any manner not provided for in this Agreement.
- b. The Contractor shall not delegate any duties or obligations under this Agreement to a subcontractor unless the Authority's Contract Administrator, Director of Legal Affairs, and Chief Housing Solutions Officer have given written consent to the delegation. When submitting the request to subcontract, the Contractor shall include the following information about the subcontractor:
 - i. Name of Subcontracting Firm;
 - ii. Work that will be subcontracted;
 - iii. Names of individuals who will perform the subcontracted work;
 - iv. Subcontractors project representative and/or Key Person (See Section 12); and
 - v. List any and all Authority programs through which the subcontractor or the subcontractor's employees, officers, directors, members, shareholders or officeholders participate.
- c. In the event the Contractor retains a subcontractor in accordance with Section 16b above, the Contractor shall insert into each subcontract executed in connection with this Agreement appropriate and enforceable provisions requiring compliance with this Agreement by the subcontractor and the persons acting for it. Throughout the performance of any subcontracts, the Contractor shall monitor and verify the compliance of all subcontractors and persons acting for them and shall immediately take any affirmative or remedial measures prescribed by the Authority or otherwise deemed necessary in the opinion of the Contractor for enforcing compliance under such subcontracts.
- d. **Delegation of duties or obligations under this Agreement to a subcontractor without the prior written consent of the Authority's Contract Administrator, Director of Legal Affairs, and Chief Housing Solutions Officer shall be a material breach of this Agreement.** In the event a subcontractor is approved by the

Authority's Contract Administrator, Director of Legal Affairs, and Chief Housing Solutions Officer, the Key Persons for the subcontractor shall be subject to the requirements set forth in Section 11 (Employees of Contractor or Key Persons) of this Agreement, including, but not limited to, the restrictions on pension payments if a pensioned retiree is a Key Person of the subcontractor or an independent contractor retained by the Contractor.

17. **Suspension and Debarment.** Pursuant to 1980 PA 278; MCL 423.322 *et seq.*, the Contractor, in performing this Agreement, shall not enter into a contract with a subcontractor, manufacturer, or supplier whose name has been listed in the register maintained by the State of Michigan, Department of Licensing and Regulatory Affairs, of employees who have been found in contempt of court by a federal court of appeals, on not less than three occasions involving different violations during the preceding seven years, for failing to correct an unfair labor practice as prohibited by Section 8 of Chapter 372 of the National Labor Relations Act, 29 U.S.C § 158.

The Authority may void this Agreement if the name of the Contractor or the name of a subcontractor, manufacturer, or supplier used by the Contractor in performing this Agreement subsequently appears in the register during the period of this Agreement.

The Contractor certifies, by signing this Agreement, that it possesses business integrity and that neither it nor any of its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in grants or contracts by any federal, state, or local department or agency.

The suspension of the Contractor by the State of Michigan, an agency of the State, or a department of the Federal Government, shall be at the option of the Authority, a material breach and grounds for the immediate termination of this Agreement.

18. **Independence of Contractors.** The Authority shall retain the Contractor as an independent contractor, and the Contractor hereby accepts such independent contractor relationship, upon the terms and conditions set forth in this Agreement. Nothing in this Agreement shall be construed to create the relationship of employer and employee between the Authority and the Contractor or any of its employees or agents. **The Contractor, its employees and subcontractors, shall be deemed at all time and for all purposes to be independent contractors.** The Contractor acknowledges and agrees that all payments by the Authority to the Contractor shall be made without deduction for federal, state or local income taxes, social security taxes and similar items, and that the Contractor shall be solely responsible to report income under this Agreement to the Internal Revenue Service and other appropriate taxing authorities and to pay such taxes (including, without limitation, being solely responsible to make periodic estimated payments of such taxes in accordance with applicable law). The Contractor further acknowledges and agrees that all payments under this Agreement to the Contractor by the Authority shall be reported to the Internal Revenue Service and other appropriate taxing authorities on Form 1099 (or equivalent or replacement forms). Finally, the Authority acknowledges that the manner and means of producing the Products and Services described in Exhibit B are under the control and at the discretion of the Contractor.

19. **Ownership of Documents, Reports and Other Products.** All documents, reports and any other products developed and/or delivered to the Authority under this Agreement shall become and be the property of the Authority.

20. **Disclosure of Information.** Other than as contemplated by this Agreement, the Contractor, its agents, and subcontractors, without the prior consent of the Authority shall not:
- a. Disclose information or documents created or maintained in connection with this Agreement to anyone.
 - b. Use information or documents created or maintained in connection with this Agreement to further any private interest.

Use or disclosure of documents or information without the prior written consent of an authorized officer of the Authority shall be a material breach of this Agreement.

21. **Modifications.** The Authority or the Contractor may request modification of the scope of work, products, budget, or project work schedule to be performed by the Contractor. Modifications shall comport with the intent and purpose of this Agreement and shall be consistent with applicable state and federal regulations, limitations, guidelines, policies, and interpretations prescribed by the Authority pursuant to law. All requests for modification shall be submitted in written form by the duly authorized representative, as specified in Section 10, of the party requesting modification prior to modification implementation. Failure to obtain prior approval will result in the disallowance of expenditures.

No verbal representation, understanding, agreement, or interpretation of any officer, agent, employee of the Authority or Contractor, either before or after execution of this Agreement, shall modify any of the terms of this Agreement, unless such representation, understanding, agreement, or interpretation is expressly stated in this Agreement or an amendment to this Agreement executed by both parties.

22. **Termination of Agreement.** Termination is the cancellation of this Agreement, in whole or in part, at any time prior to the date of completion.
- a. Termination for cause. The Authority may terminate this Agreement, in whole or in part, at any time before the date of completion, whenever it is determined that the Contractor has failed to comply with the terms and conditions of this Agreement. The Authority will promptly notify the Contractor in writing of the termination and the reasons for the termination, together with the effective date of termination. Payments made to the Contractor, or recoveries by the Authority under this Agreement when it is terminated for cause, will be in accordance with the legal rights and liabilities of the parties.
 - b. Termination for convenience. The Authority or the Contractor may terminate this Agreement, in whole or in part, when the Parties agree that the continuation of the Agreement would not produce beneficial results commensurate with the further expenditure of funds. If the Contractor seeks termination of this section, it must provide the Authority with a ninety (90 days) written notice. The Parties will agree upon the termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated. An amendment of the terms of this Agreement is required for all terminations for convenience.
 - c. Termination by Contractor. At any time prior to the first payment on the Agreement, the Contractor may, with written notification to the Authority, unilaterally cancel this Agreement. Once initiated, no Product or Services financed with Authority assistance shall be terminated by the Contractor prior to satisfactory completion without approval of the Authority. After the first payment, the Product or Services may be terminated, modified, or amended by the Contractor only by mutual agreement of the Parties. Termination requests prior to completion of the Product or Services must fully explain the reasons for the action and detail the proposed disposition of the uncompleted Product or Services.
 - d. Termination of Agreement for Unavailability of Authority or Federal Funds. It is the intent

and understanding of the Parties that this Agreement is contingent upon the availability of Authority or Federal funds or the receipt by the Authority of Federal funds. If Authority funds or Federal funds, approved or obligated by the Authority in connection with this Agreement, are at any time rendered unavailable, the Authority shall then have the right to terminate this Agreement by the giving of a written notice, the basis, and the effective date of the termination to the Contractor. Should this Agreement be terminated by reason of the unavailability of Authority or Federal funds for the purposes of this Agreement, all finished or unfinished documents, data, studies, reports, and other materials prepared by the Contractor under this Agreement prior to the effective date of the termination shall be delivered to the Authority in a format specified by the Authority.

In the event of termination under this section for lack of Authority or Federal funds, the Contractor shall be entitled to receive payment for Products and Services incurred under this Agreement prior to the effective date of termination.

- e. Commitments. If this Agreement is terminated, the Contractor will not incur new obligations for the terminated portion after the effective termination date. The Contractor will, at its own expense, cancel any outstanding obligations. Costs incurred after the effective date of the termination will be disallowed. In the event of termination, all finished or unfinished documents, data, studies, reports, and other materials prepared by the Contractor under this Agreement prior to the effective date of termination shall become the property of the Authority. The Contractor will provide all finished and unfinished material as previously described within 30 calendar days of the termination date. The Contractor, in the event of termination under this provision, is entitled to receive reimbursement for Products and Services satisfactorily performed under this Agreement prior to the effective date of such termination. Notwithstanding the foregoing, the Contractor shall not be relieved of its liability to the Authority for the damages sustained by the Authority as the result of any breach of this Agreement until


the Authority so releases the Contractor and has determined for the purpose of set-off the exact amount of damages due the Authority.

23. **Severability of Provisions.** It is declared to be the intent of the parties that if any provision of this Agreement executed by both parties or its application to any persons or circumstances is adjudged by any court of competent jurisdiction to be invalid, the court's judgment shall not affect or invalidate the remainder of this Agreement nor its application to other persons or circumstances, unless so provided by the court or unless the severance of the invalid provision alters the basic intent or purpose of this Agreement, would cause an increase of the Authority's financial obligation, or renders impossible the compliance with any applicable statute, regulation, limitation, guideline, policy.
24. **Michigan Law.** This Agreement shall be governed by the laws of the State of Michigan and shall be binding upon the Contractor's successors, assigns, and legal representatives. All records pertinent to this Agreement are subject to public disclosure under the Michigan Freedom of Information Act; 1976 PA 442; MCL 15.231 *et seq.* The Contractor shall insert the provisions of this section into any subcontract entered into to accomplish the terms of this Agreement.


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IN WITNESS WHEREOF, the Parties have caused this REVISED AND AMENDED AGREEMENT to be executed by:

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

By: 
Earl Pofeski, Executive Director
OR
Brian Mills, Chief of Staff

PINE GROVE HOUSING SERVICE LLC

By: 
Christina Shepard, Owner

CONTRACT NO. 16-74-HCV

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

AGREEMENT FOR PROFESSIONAL SERVICES

WITH

PINE GROVE HOUSING SERVICE LLC

EXHIBIT A

RESERVED

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

AGREEMENT FOR PROFESSIONAL SERVICES

WITH

PINE GROVE HOUSING SERVICE LLC

EXHIBIT B

SCOPE OF WORK – HCV AGENT

1. **Overview**

a. 2019 Housing Choice Voucher Service and Administration

The Michigan State Housing Development Authority, Division of Rental Assistance and Homeless Solutions ("Authority" or "MSHDA") is contracting to administer and provide Housing Choice Voucher ("HCV") services to the HCV Applicants and Participants, Landlords, Authority staff, and Community Service Providers. Services shall be provided according to the guidelines of the Department of Housing and Urban Development ("HUD"), the Authority's Standard Operating Procedures ("SOP"), as amended, as well as the Administrative and Public Housing Authority Plans.

The Authority requires the services to meet the comprehensive needs of HCV Applicants and Participants as set forth in: (i) this *Scope of Work*, (ii) the Exhibit C – *Payment to Contractor* ("Exhibit C"), and (iii) Exhibit D – *Performance Measures and Incentive Pay* ("Exhibit D") attached and incorporated into this Agreement.

b. Changes to Scope of Work Required by HUD or the Authority

The Contractor acknowledges that new, revised, or amended policies, mandates, procedures, requirements or programs imposed by HUD or adopted by the Authority

may require the revision or amendment of the Services described in this contract and incorporated Exhibits. Such changes shall be deemed to be within this *Scope of Work* and shall not result in an increase in fees if the Authority reasonably determines that changes to this *Scope of Work* are required by HUD or arise from programs or initiatives adopted by the Authority.

2. **HCV AGENT: Objectives, Tasks & Activities, and Deadlines**

- a. **Objectives.** To successfully perform the services described in Section I above, the Contractor must provide the Services described in this *Scope of Work*, Exhibit C, and Exhibit D attached and incorporated into this Agreement, while ensuring quality customer service. Specifically, the Contractor must satisfy the following objectives:
- i. Provide quality and necessary services to the HCV Applicants and Participants and other Community Partners including, but not limited to, Authority staff, Landlords, Continuums of Care (“COCs”), and Service Providers.
 - ii. Provide those above-mentioned Services at a high-performing level based on Exhibit D attached and incorporated into this Agreement.
- b. **Activities/Responsibilities Necessary to Complete Scope of Work.** To achieve the objectives, the Contractor shall perform the following activities:
- i. The Contractor shall perform all tasks and services as indicated in the Authority’s SOP for the Division of Rental Assistance and Homeless Solutions located at the Program Portal found at:
https://stateofmichigan.sharepoint.com/teams/MSHDA/RAHS_HCV_01/SitePages/Home.aspx
Username and password to be provided by Authority staff at the time of contract execution.

- ii. **Office Requirements and Required Hours.** The Contractor must maintain a business office open to the public in one of the two counties with the largest number of vouchers allocated to the Contractor within a Prosperity Region. The business office must be open to the public for a minimum of 20 hours per week during normal business hours. The business office must be open to receive and return phone calls 40 hours per week during normal business hours. The Contractor must be available to Authority staff by cell phone a minimum of four (4) hours per day Monday through Friday.

Proposed business office locations, and any subsequent office location changes, are to be submitted for Authority review and approval. The Authority reserves the right to approve business office locations and public meeting spaces. The Authority will consider exceptions to the business office location requirements based on the following criteria:

- 1) Contractor has a current office within the Prosperity Region and is bound by a long-term lease; or
- 2) The county the Contractor is requesting for its office location has a voucher allocation that is close in number to the counties with its two largest voucher allocations; or
- 3) If the Contractor has one or two counties in an adjacent Prosperity Region, an additional office may not be required; or
- 4) Other circumstances as approved by the Authority.
- 5) A business office is defined as:
 - a) An office open to the public for a minimum of 20 business hours per week in which the Contractor and/or Contractor's staff is readily accessible by phone and to walk-in traffic;
 - b) Staffed by personnel knowledgeable about the HCV Program;

- c) Includes a private meeting space;
 - d) Complies with all applicable American with Disabilities Act requirements, including but not limited to those identified in PIH Notice 2003-31;
 - e) Complies with all applicable federal, state and local requirements by authorities with jurisdiction; and
 - f) Residential business offices must meet all of the above criteria as well as contain an office entrance separate from the private residence and meet all local home business zoning requirements. A local zoning official must verify in writing that the office meets home business zoning requirements.
- 6) The original participant files must be housed in one or more of the Contractor's business offices.
- a) All original participant files must be stored in fire proof cabinets (Underwriters Laboratories - UL rated file cabinets) and/or the Contractor must have a fire suppression system in place;
 - b) Selected office must be compliant with requirements outlined in Exhibit E;
 - c) Contractors operating in multiple Prosperity Regions may designate one central business office to maintain all original participant files; and
 - d) Business offices not containing files must be staffed with personnel knowledgeable about the HCV Program, and have technology suitable to access the participant file at the central office.
- 7) The Contractor is required to arrange public meeting space in all counties in which vouchers are awarded and no business office is maintained. Appropriate public meeting spaces could include, but are not limited to: libraries, Department of Health and Human Services (DHHS) offices, or Michigan Works! offices.

- a) The public meeting location must be available to meet Applicants, Participants, Landlords, and Authority staff by appointment in a timely manner and must include a private meeting space.
 - b) The Contractor must submit the location, to include physical address, for each public meeting space by March 1, 2019 for the Authority's review and approval and promptly notify the Authority of any subsequent changes.
- 8) The Authority and the Contractor will acknowledge that the establishment, confirmation and approval of office hours are required to address HUD's concerns that those administering the Program shall be accessible to Applicants, Participants, Landlords, and Authority Staff. The Authority reserves the right to approve business office locations and public meeting spaces.
- iii. The following activities and tasks shall be provided to HCV Applicants and Participants and other partners in accordance with the SOP, as well as the Administrative and Public Housing Authority Plans. Activities and tasks include but are not limited to:
- 1) Maintaining Project Based Waiting Lists (if the Region administers Project Based Developments).
 - 2) Verifying eligibility of Waiting List Applicants. When the Applicant's name is selected from the Waiting List, the Contractor shall determine Program eligibility.
 - 3) Briefing Applicants and Issuing Vouchers by following SOP. This includes:
 - a) Explaining the program and its benefits to Applicants;
 - b) Having the proper paperwork required for Applicants to complete;
 - c) Answering any questions from Applicants;
 - d) Issuing Vouchers to begin the leasing process; and

- e) Entering data into the Authority's Program Management Software ("Program Software").
- 4) Executing a Housing Assistance Payment ("HAP") Contract between the Authority and Landlord by following the SOP. This includes but is not limited to:
- a) Verifying 40% affordability is met;
 - b) Inspecting the unit per the Housing Quality Standard ("HQS") guidelines, and re-inspecting if necessary;
 - c) Entering data into the Authority's Program Software; and
 - d) Generating and executing all required forms for a HAP Contract while meeting Authority established deadlines.
- 5) Perform a yearly Annual Re-Examination for each active, assigned Participant by following SOP, as established below:
- a) Satisfy the conditions and requirements to re-certify the Participant for the HCV program by using current verification processes to determine continued eligibility;
 - b) Enter data of Annual Re-Examination into the Authority's Program Software for payment approval by established Authority deadlines.
- 6) Perform a biennial HQS inspection for each active, assigned Participant by following SOP, as established below:
- a) Inspect the unit using HQS guidelines, including ensuring that all units are inspected within 730 days of the last inspection;
 - b) Follow HCV guidelines for failed inspections and process abatements, if needed; and
 - c) Enter HQS only transactions into the Authority's Program Software by program deadlines.

- 7) Process any HCV Participant moves, transfers, income or family compositions changes, ownership or contract rent changes, portability, and cancellations by following the SOP for those processes.
- 8) Miscellaneous activities necessary such as:
 - a) Correcting errors on paperwork within ten (10) business days,
 - b) Responding to emails, phone calls, and letters in a timely manner; that is no later than two (2) business days following receipt;
 - c) Providing any information, reports, or data requested from Authority staff within three (3) business days;
 - d) Maintaining paperwork in accordance with HCV requirements in the Applicant and Participant files; and
 - e) Attending all required meetings and/or trainings.
- 9) Encourage participation and distribute Family Self-Sufficiency (“FSS”) and Key to Own (“KTO”) Program brochures by following the SOP.
- 10) Maintain knowledge of all Authority Programs and Services available in the Contractor’s assigned regions/counties.
- 11) Maintain knowledge of the Authority’s SOP via the Program Portal.
- 12) **Return of Equipment and Documents.** Upon request of the Authority or upon termination of an awarded contract by either party, the Contractor will return all property of the Authority including, but not limited to computer equipment, records, files, documents, correspondence, manuals, seminar materials, keys, and all other documents, records and data, in written and electronic form, that are the property of the Authority within five (5) calendar days of notification by the Authority.
- 13) Manage Quality Control of HQS inspections for assigned caseload.
 - a) Each inspector must complete all required trainings and pass all required tests for HQS inspectors.

- b) Perform Quality Control inspections on each inspector for the Contractor and maintain records of the Quality Control inspections.
- c) Maintain a log book for all inspectors including copies of any certificates received, the required first 25 inspections completed for new inspectors during this contract period, verification of trainings taken, and verification of Contractor audit inspections completed on the inspector.

14) **Customer Service.** The Contractor and Contractor's staff are required to maintain a professional customer service relationship with all partners by establishing policies and procedures to meet the following requirements:

- a) Treat, in a professional manner, all Applicants, Participants, Partnering Agencies, Landlords, and Authority Staff with dignity and respect at all times. Contractor and Contractor's staff must not intimidate, threaten, harass, or abuse their authority in any way.
- b) Maintain office hours as required in this *Scope of Work*.
- c) Ensure all Applicants, Participants, Landlords, and Partnering Agencies are provided information regarding office hours. Agency name and office hours must be posted and clearly visible at the physical location.
- d) Be available outside of required business hours, but during standard business hours, to accommodate appointments and other special requests.
- e) Assist applicants and participants with disabilities in meeting the requirements to participate or continue participation on the program.
- f) Monitor and prioritize calls and emails daily and respond within two (2) business days after receipt. Emergency situations must be dealt with on a case-by-case basis; generally within twenty-four hours of notification.

If the Authority determines the Contractor's customer service is not meeting this Agreement's requirements, the Contractor will be issued a notice in writing. If problems persist, a customer service action plan will be developed which

could include the requirement to attend customer service training at the expense of the Contractor. If after customer service training, the problems continue, this may be considered a breach of contract.

15) Community Partnerships. The Contractor must submit a Communication Plan (“Plan”) developed with each Housing Assessment and Resource Agency (“HARA”) within their assigned Region(s):

- a) The Plan must be developed with the HARA and include the roles and responsibilities that each agency will perform while assisting Program Applicants and Participants. If efforts to create a Plan with the HARA are unsuccessful, the Authority will facilitate this process.
- b) The Plan must be signed by both the Contractor and the HARA Executive Director. The HARA may instead opt to submit a support letter in conjunction with the Plan signed by the Contractor.
- c) The Plan must be submitted to the Contractor’s assigned Resource Specialist by March 1, 2019. If the Authority requires changes, the Contractor must complete and return the Plan prior to a deadline specified by the Authority.
- d) If significant change(s) occur to the Plan during the term of the Housing Agent Agreement, an updated Plan must be submitted to the Authority in a timely manner.

The Plan must include, but is not limited to the following:

- a) Designation of a HARA staff person(s) and a Contractor staff person(s) as a point of contact for partners, e.g., Applicants, Participants, Landlords, COCs, and Referring Agencies.
- b) The Contractor and the HARA will develop a meeting schedule that outlines the frequency and type of planned communications they will have with each

other. Meetings will be held quarterly and may be held in person or by teleconference. One meeting must be face-to-face annually.

- c) Detail of roles and responsibilities of Contractor and HARA that are needed to conduct routine business effectively. Outline a method that is designed for your community to assist applicants and participants in navigating the Program.
- d) Describe an outreach procedure to communicate the opening of Waiting Lists in the designated community.
- e) For communities with Project-Based Vouchers, describe how the Contractor will communicate to the Lead Agency and Management Company that Waiting Lists need more Program Applicants.

c. **Changes in the Allocation of Vouchers.** The Contractor acknowledges that the Authority retains the right to change the number of Vouchers assigned to the Contractor on any of, but not limited to, the following grounds:

- i. A reduction of Vouchers assigned by HUD to the Authority;
- ii. A reduction in funding received by the Authority for the HCV Program;
- iii. An increase in expenses incurred by the Authority for the HCV Program;
- iv. Authority initiatives, programs, or transactions that require, in the sole opinion of the Authority, a transfer and/or reassignment of Vouchers;
- v. HUD requires the assignment of a Voucher or Vouchers to another PHA;
- vi. The Authority determines that reallocating Vouchers will enable the Authority to administer the HCV Program more effectively and/or efficiently. This includes, but is not limited to, decisions by the Authority to transfer vouchers to resolve conflicts between a landlord or landlords and the Contractor that the Authority determines to be irreconcilable;

vii. The Contractor acknowledges that the allocation of Vouchers to the Contractor does not create for the Contractor a vested right to administer a certain number of vouchers;

viii. Increasing Assigned Vouchers.

The Authority may require the Contractor to increase the number of Vouchers to which the Contractor is assigned; Assignment of additional Vouchers for Rental Assistance Demonstration (RAD) properties, Project-Based Voucher (PBV) developments, absorption of other PHA's Vouchers, and any other Annual Contributions Contract (ACC) increases will be awarded based on a schedule determined by the Authority.

d. **Authority and HUD Requirements.** In performing its duties and responsibilities as specified in this Agreement, the Contractor will comply at all times with all applicable HUD and Authority rules, regulations, and requirements, including Equal Opportunity rules. Additionally, the Contractor is responsible for complying with the following:

i. Identity Theft Protection Act (2004 Public Act 442, as amended by Public Act 566 of 2006).

ii. Social Security Number Privacy Act (Public Act 454 of 2004).

iii. 3.7.1 Best practices would include: NIST 800 series guidelines located at <http://www.csrc.nist.gov/publications/nistpubs/> especially 800-64, 800-53.

iv. Federal Information Processing Standards located at <http://www.itl.nist.gov/fipspubs/index.htm>.

e. **File Maintenance and Security.**

i. **Equipment Provided by Authority.** The Authority and Contractor acknowledge that the Authority has no obligation to the Contractor to provide, replace or repair computers or peripherals such as monitors, modems, and printers.

- ii. **File Security.** All files held by a Contractor in a respective office must be in fire proof cabinets and/or the office must have a fire suppression system in place. The files must be able to be secured from the general public either by containing locking mechanisms with keys provided to only Key Persons or located in a locked room. All files must be labeled **CONFIDENTIAL**.
- iii. **Use of Compatible Hardware and Software.** The Contractor shall have licenses for and use software that is compatible with the software used by the Authority's HCV Program. The Contractor shall use hardware that is compatible with the software and hardware used by the Authority. The Contractor shall have and maintain internet access and e-mail that enables the Contractor to render Services. The Contractor shall also have licenses for the programs in versions that are compatible with the Authority's Microsoft Word and Microsoft Excel. The Contractor agrees to secure any upgrades of software and/or hardware that are necessary for ensuring and maintaining compatibility with software and hardware used by the Authority.
 - 1) The Contractor shall have antivirus software installed and the version/definition files must be updated daily. In addition, the Contractor is required to scan their computers daily for viruses and have auto-protection and live update enabled.
 - 2) The Contractor shall have encryption software (capable of a minimum 128-bit) to encrypt Personal Identifying Information (PII) when transmitted or stored in permanent or removable electronic media, to render PII unreadable.
- iv. **Removal/Disposal of Personal Data in an Electronic Format.** If the Contractor no longer needs Participant data to render Services, or if the Contractor ceases to provide Services, the Contractor shall remove/dispose Electronic Data and Access Codes (defined below) from any and all storage media that may be used, including but not limited to hard drives, flash drives, CDs, PCs, laptops, DVDs, zip drives,

hand-held organizer, and storage services on the World Wide Web. When the Contractor ceases to use a computer, the Contractor shall:

- 1) Ensure that any and all Electronic Data and Access Codes are removed from/disclosed of from that computer. Approved removal/disposal methods for electronic records and media include three (3) passes with a disk wiping utility or DOD (Department of Defense) Level 2 compliant equal; incineration, shredding, cutting, drilling, or grinding; and
- 2) "Electronic Data and Access Codes" is collectively defined as (a) any and all Participant data in an electronic format; (b) and all codes, passwords, access keys and any other data that allows the Contractor to connect to and access Program Software (presently Elite). Notwithstanding the foregoing, the Contractor may retain Participant data after the Contractor ceases to provide services only if the Contractor is required to do so to comply with Federal or State law or regulations, a separate contract with a Federal entity or State of Michigan entity, including, but not limited to, the Authority, or an Authority requirement.

If the Contractor believes it is required to retain Participant data, the Contractor shall:

- 1) Advise the Authority's Director of Legal Affairs and the Chief Housing Solutions Officer in writing of the requirement; and
- 2) Retain the data in a manner and format described in Section F entitled "Record Keeping, Privacy, and Freedom of Information Act" below. If the Contractor ceases to administer the Services set forth in this Agreement and included Exhibits, the Contractor must send written notice to the Resource Specialist indicating all removal methods have been completed in order to receive any final payments.

- v. **Security Awareness.** The Contractor and Key Persons of the contractor must attend annual security awareness sessions and complete required forms to perform services for the Authority. The Contractor must complete a Security Plan (see Exhibit E) upon entering into an awarded contract.

- f. **Record Keeping, Privacy, and Freedom of Information Act.**
 - i. **Organization of Participant's File.** The Contractor will maintain all Participant files in accordance with HUD Regulations and the Authority's SOP.
 - ii. **Applications, Notification letters, and similar matters.** The Contractor will retain all records of applications, notification letters, and similar matters during the term of this Agreement and renewals or extensions of the Agreement. All such applications, notices, and other such records will be subject to inspection and copying by the Authority or HUD, or any authorized representative of the Authority or HUD. If either party terminates an awarded contract, the Contractor will forward all records to the Authority, including, but not limited to, Applicant and Participant files.
 - iii. **Providing Information and Reports to Authority.** Upon the request of the Authority, the Contractor will furnish any and all requested information or reports with respect to any and all matters relating to an awarded contract and the Housing Voucher Program in accordance with the Authority's shipping and tracking procedures. Any and all requested information or reports must be received by the Authority within three (3) business days after the request.
 - iv. **Legal Actions.** The Contractor will forward to the Authority promptly upon receipt, but no later than one (1) business day, all requests for documents, including but not limited to notices of subpoenas, lawsuits, causes of action, or charges of any kind to which the Contractor is subject, that arise from the Contractor's actions or

lack of action (a) as a contractor for the Authority and (b) pursuant to the authority granted to the Contractor under an awarded contract within one (1) business day.

- v. **Rights in Data.** The Contractor will not use the State's data for any purpose other than providing the services set forth in an awarded contract, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public, to specific third parties or commercially exploited by or on behalf of Contractor, nor will any Key Person of the Contractor other than those on a strictly need to know basis have access to the State's data. The Contractor shall only use PII as strictly necessary to provide the services and shall disclose such information only to its Key Persons who have a strict need to know regarding such information. The Contractor shall comply at all times with all laws and regulations applicable to PII.
- vi. **Security Breach Notification.** In the event of a security breach, the Contractor shall take prompt corrective action to cure any such deficiencies and any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations. The Contractor shall report to the proper Authority staff in writing any use or disclosure of PII, whether suspected or actual, within one (1) business day of becoming aware of such use or disclosure.
- vii. **Securing Personal Identifying Information (PII).** The Contractor shall take reasonable steps in accordance with recommended office practices to prevent the theft of paper and electronic files that contain PII. Such steps shall include but are not limited to:
 - 1) Restricting access to paper and electronic files to only authorized Contractor personnel;
 - 2) Securing paper files and electronic files to prevent unauthorized access;
 - 3) Storing paper files and electronic files to prevent unauthorized access of the same; and

- 4) To prevent unauthorized access or disclosure during the transmission or storage of PII, encryption (minimum of 128-bit) must be used when moving or storing all PII on any electronic device.

The Contractor shall establish a security plan/policy that ensures that PII is not lost or disclosed accidentally. The Authority reserves the right to inspect files and requires the Contractor to complete their security plan/policy within Exhibit E for the purpose of confirming the adequacy of the Contractor's security practices. The Contractor agrees to respond to Authority recommendations concerning the security plan/policy to the Authority's reasonable satisfaction. The Contractor agrees to provide Exhibit E upon execution of this contract.

viii. **Destruction of Documents.** The Contractor will destroy the following documents in accordance with the schedule described below:

- 1) Any Waiting List documents for a Denied Applicant - such records shall be destroyed (i) no earlier than the three (3) years after the Applicant's denial date and (ii) no later than the four (4) years after the Applicant's denial date. Confirmation sheets must be kept stating what was destroyed.
- 2) Copies of all records for a former Participant as long as the original records are in the Authority's offices—such records shall be destroyed no later than one (1) year after the termination of the Participant's Voucher.

When destroying data, whether in paper or electronic form, the Contractor shall ensure that PII is destroyed to the extent that identities of individuals cannot be ascertained. Approved destruction methods for electronic records and paper media include three (3) passes with a disk wiping utility or DOD (Department of Defense) Level 2 compliant equal; incineration, shredding, cutting, drilling, or grinding.

- ix. **Disclosure of Information and Records.** The Contractor shall not disclose information or documents created or maintained in connection with an awarded contract to anyone other than the Contractor's staff assigned to an awarded contract or Authority staff, without the direction or prior consent of Authority staff. Neither the Contractor nor its Key Persons or agents shall use information or documents created or maintained in connection with an awarded contract to further any private interest without the prior written consent of the Authority.
- x. **Privacy and FOIA.** The Contractor will maintain all records of information on Participants, Families, and Owners in strict confidence and will ensure that the privacy of the household is maintained in accordance with applicable state and federal laws including the state Freedom of Information Act ("FOIA"), the federal Freedom of Information Act, and the federal Privacy Act. The Contractor is not subject to FOIA. All subpoenas, requests to produce documents, requests for documents or requests for information under the FOIA or the federal Freedom of Information Act that are addressed to the Authority shall not be accepted by the Contractor. The Contractor shall inform persons submitting such subpoenas and requests addressed to the Authority that the Contractor is not authorized to accept or process such documents on behalf of the State of Michigan or the Authority. The Contractor shall refer persons submitting such subpoenas and requests to the Authority's FOIA Coordinator.

The Contractor is responsible for complying with any subpoenas addressed to the Contractor, including requests to produce documents, and must comply with Section f.iv of this Exhibit and all Authority procedures related to subpoena responses.

The Contractor shall respond to requests for HUD-50058 forms in accordance with the Authority's SOP.

- xi. **News Releases.** News releases pertaining to this Agreement, the Work Product developed under this contract, or the Services provided under this contract will not be made without prior written Authority approval, and then only in accordance with explicit written instructions from the Authority. No results pertaining to this contract, the Work Product developed under this contract, or the Services provided under this contract are to be released without prior approval of the Authority and then only to persons designated. Failure to follow this guideline may result in a material breach of this contract.

g. **State and Federal Requirements**

- i. **Covenant Not to Discriminate.** The Contractor will comply with all requirements imposed by Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601, et seq.), as amended, and implementing regulations; the Elliott-Larsen Civil Rights Act; the Persons With Disabilities Civil Rights Act; and Title VI of the Civil Rights Act of 1964; the regulations of HUD-issued thereunder, 24 CFR, Subtitle A, part 1, Section 1.1 et seq., and the requirements of HUD pursuant to the regulations; and Executive Order 11063, to the end that, in accordance with the Housing Act of 1949, the regulations and requirement of HUD thereunder, and the Executive Order, no person will, on the grounds of race, color, creed, religion, handicap, familial status, marital status, or national origin, be excluded from participation in, or be denied the benefits of, the Program or be otherwise subject to unlawful discrimination. The Contractor is obligated to comply with this provision to the benefit of the United States, HUD and the Authority, each of which will be entitled to invoke any remedies available by law to redress any contract breach or to compel contract compliance by the Contractor.

- ii. **Equal Opportunity.** In performing its duties and responsibilities, the Contractor will comply at all times with all applicable HUD and Authority Equal Opportunity rules, regulations, and requirements.
- iii. **Workplace Safety and Discrimination Harassment.** In performing services for the Authority, the Contractor shall comply with Michigan Department of Civil Service Rules 2-20 regarding Workplace Safety and 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service Regulations governing workplace safety, discriminatory harassment, and any applicable state agency rules on these matters that the agency provides to the Contractor. The Michigan Department of Civil Service Rules and Regulations can be found on the Department of Civil Service website at www.state.mi.us/mdcs/Regindx.
- iv. **No Gifts.** The Contractor has not provided, nor will the Contractor provide in the future any gifts, payments or other inducements to any officer, employee or agent of the Authority. The Contractor will not accept any gifts from Owners, Applicants, Participants, or Authority employees.
- v. **Unfair Labor Practices.** Pursuant to 1980 Public Act 278, as amended, MCL 423.321, et seq., the Authority shall not award a contract or subcontract to an employer whose name appears in the Register (of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act). A contractor of the Authority, in relation to a contract, shall not enter into a contract with a subcontractor, manufacturer, or supplier whose name appears in this Register. Pursuant to section 4 of 1980 Public Act 278, MCL 423.324, the Authority may void any awarded contract if, subsequent to the award of a contract, the name of the Contractor as an employer, or the name of the subcontractor, manufacturer or supplier of the Contractor, appears in the Register.

vi. **Conflict of Interest & 1 Year Lockout.** Note that Agents with administrative functions or responsibility under this contract, may not enter into any contract, subcontract, or other arrangement in connection with this contract in which any covered individual or entity has any direct or indirect interest (including the interest of any immediate family member), while such person is a covered individual or entity or during one year thereafter.

h. **Conflict of Interest**

i. **Present and Former Authority Members and Public Officials.** No present or former member or officer of the Authority (except participant commissioners), no employee of the Authority who formulates policy or influences decisions with respect to the Program, and no public official or member of a governing body or state or local legislator who exercises functions or responsibilities with respect to the Program, during this person's tenure or for one year thereafter, will have any direct or indirect interest in Housing Assistance Program (HAP) Contracts or in any proceeds or benefits arising from them, other than those outlined within the Administrative Services Agreement. HUD may waive this provision for good cause under certain circumstances.

ii. **Units Owned, Managed or Listed for Sale by Contractor or Key Persons.**

1) **Units Owned, Managed or Listed for Sale by Contractor.** The Contractor shall not own, manage, or lease a unit that is occupied by a Participant. The prohibition against owning a unit occupied by a Participant includes, but is not limited to, the Contractor having an ownership interest in an entity that owns the unit in question.

2) **Units Owned, Managed or Listed for Sale by Key Persons.** A Key Person shall not own, manage, or lease a unit that is occupied by a Participant unless

the Contractor receives prior written approval from the Authority's Director of Legal Affairs and the Chief Housing Solutions Officer.

- 3) **Participation in Other Authority Programs.** With the exception of providing Services to the Authority, neither the Contractor nor the Contractor's Key Persons shall participate in an Authority housing program or do business with the Authority under any program in which the Authority has a direct or indirect relationship without securing prior written approval from the Authority's Director of the Legal Affairs and the Chief Housing Solutions Officer.
- 4) **Services to Current Participants.** The Contractor and the Contractor's Key Persons shall be prohibited from providing any services to a Participant in consideration for a fee or commission without securing the prior written consent of the Authority's Director of Legal Affairs and the Chief Housing Solutions Officer.
- 5) **Services to Former Participants.** If a participant no longer receives assistance through the Program, the Contractor and the Contractor's Key Persons shall be prohibited from providing any services to the participant in consideration for a fee or commission. The aforementioned prohibition shall end on the 180th day after the date on which the participant's assistance ends.
- 6) **Breach of Conflict of Interest Prohibitions.** A breach of any prohibition described in this Exhibit may be declared by the Authority to be a material breach of this Agreement.

- iii. **List of Potential Conflicts of Interest.** Prior to execution of this Agreement, the Contractor shall list all interests of the Contractor and Key Persons that may create conflicts between the interests of those entities or parties and the interests of the Authority. The Contractor acknowledges that its Key Persons are not employees of the State of Michigan or its units. Should a conflict of interest arise during the term of an awarded contract, the Contractor shall contact the Authority's Director

of Legal Affairs and the Chief Housing Solutions Officer immediately and describe in detail the conflict of interest. The Contractor shall follow the recommendations of Authority staff or be in material breach of this contract.

i. **Criminal and Civil Matters**

- i. **Notice of Convictions and Criminal Investigations.** Prior to the execution of this Agreement, the Contractor shall promptly notify the Authority if it, or its officers, directors, Key Persons, or any of the Contractor's independent contractors who perform Services, or their officers, directors, or employees, have ever been convicted of a felony, or any crime involving moral turpitude, including, but not limited to fraud, misappropriation or deception. The Contractor shall promptly notify the Authority of any criminal litigation, investigations or proceeding which may have arisen or may arise involving the Contractor, or any of the Contractor's Key Persons, members or shareholders, or subcontractors, or any of the Contractor's or its subcontractors' then current officers or directors while performing under this contract.
- ii. **Notice of Civil Claims.** The Contractor shall immediately notify the Authority of any civil litigation, including subpoenas, lawsuits, cases of action arbitration, proceeding, or judgments, that may have arisen against it, its Key Persons, or its subcontractors during the five years preceding this Agreement, or which may occur while performing pursuant to the terms of this Agreement, which include but may not be limited to:
- 1) Services or services similar to those provided to the Authority under this Agreement, or
 - 2) A claim or written allegation of fraud against the Contractor, the Key Person, or any subcontractor, arising out of their business activities, or

3) A claim or written allegation that the Contractor, the Key Person, or any subcontractor violated any federal, state or local statute, regulation or ordinance.

Multiple lawsuits and or judgments against the Contractor, Key Person, or the Contractor's subcontractor(s) shall be disclosed to the Authority to the extent they adversely affect the financial solvency or the ability of the Contractor, Key Person or subcontractor to perform the Products and Services pursuant to this Agreement.

- iii. **Notice Requirements for Criminal and Civil Claims.** All notices under subsection 1 and 2 herein shall be provided in writing to the Authority within five (5) business days after the Contractor learns about any such criminal or civil investigations and within fifteen (15) business days after the commencement of any proceeding, litigation, or arbitration, as otherwise applicable. Details of settlements that are prevented from disclosure by the terms of the settlement shall be annotated as such.
- iv. **Criminal Screenings.** The Contractor acknowledges that the Key Persons listed in Exhibit F shall be subject to certain Criminal Screenings to assure the Authority in its sole discretion that the Key Persons comply with the terms of this Agreement. The Contractor's Key Persons' will be expected to agree to the State of Michigan security and acceptable use policies before the Key Person of the Contractor will be accepted as a resource to perform work for the Authority. The Contractor will present an Exhibit F to the Authority for a prospective Key Person before the Contractor allows the Key Person to perform services under this Agreement.
- v. **Assurances Regarding Key Persons.** In the event that such investigation, Criminal Screening, litigation, arbitration or other proceedings disclosed to the Authority pursuant to Section i of this Exhibit, or of which the Authority otherwise becomes aware during the period of performance under this contract, causes the Authority to be reasonably concerned about:

- 1) The ability of the Contractor, its Key Persons, or its subcontractor to continue to perform in accordance with the terms and conditions of an awarded contract, or
- 2) Whether the Contractor, its Key Persons, or its subcontractor in performing the Services is engaged in conduct which is similar in nature to conduct alleged in such investigation, litigation, arbitration or other proceedings, which conduct would constitute a breach of an awarded contract or violation of Michigan or Federal law, regulation or public policy, then:

The Contractor shall be required to provide the Authority with assurances and actions requested by the Authority demonstrating either that:

- 1) The Contractor, its Key Employee in question, or its subcontractor(s) will be able to continue to perform under this Agreement in accordance with its terms and conditions; or
- 2) The Contractor, its Key Employee in question, or its subcontractor(s) will not engage in conduct that is similar in nature to the conduct alleged in any such litigation, arbitration or other proceedings while performing Services under this Agreement. Such actions may include the Authority making a request to the Contractor to prevent a Key Person or subcontractor from providing Services or having access to documents and files having a connection with the Services. This Section shall not be construed as affecting or limiting the Authority's right to terminate this Agreement.

- vi. **Failure to Comply with Section 1.i (above).** The Contractor's failure to fully and timely comply with the terms of Section 1.i and subsections thereof, including providing reasonable assurances and actions satisfactory to the Authority, may, at the Authority's sole option, constitute a material breach of this Agreement.
- vii. **Arbitration.** Any dispute under this Agreement shall be resolved by binding arbitration administered by the American Arbitration Association ("AAA") in

accordance with its Arbitration Rules for Commercial Financial Disputes in effect at the time, including, if applicable, the Supplementary Procedures for Large, Complex Disputes, but excluding the use of the Expedited Procedures (as modified, the “AAA Rules”). Arbitration shall be governed by the Federal Arbitration Act and conducted in the State of Michigan or any other place mutually agreed upon by the Parties. Judgment upon any award rendered may be entered in and specifically enforced by any court having jurisdiction. The award of the arbitrators shall specify in writing the factual and legal basis for the award. All awards shall be limited to the Parties’ actual damages and the arbitrators shall have no authority to award punitive damages. The Authority and the Contractor will agree to keep all disputes and arbitration proceedings confidential to the extent permitted by law. If a party fails to answer or otherwise acknowledge a demand to arbitrate a dispute in accordance with the AAA Rules, the arbitrators shall enter an award without a hearing in favor of the party demanding the arbitration. The Authority and the Contractor understand and agree that no dispute decided by arbitration may later be pursued before a court except for the purpose of enforcing either:

- 1) Compliance with the arbitration provision in this Agreement, or
- 2) A final decision by the arbitrators. The Authority and the Contractor will agree that each party shall pay 50% of the fees and expenses for arbitration, excluding attorney’s fees. Each party shall pay the cost for its counsel, if any.

viii. **Ownership and Use of Software**

- 1) **Ownership of Software.** The Parties acknowledge that any software provided by the Authority is and remains the property of the Authority.
- 2) **Ownership and Use of Software.** The Contractor agrees not to copy, loan or sell software provided by the Authority, make the software available to other

persons or entities (other than employees or Key Persons of the Contractor) or use the software for any purposes other than the performance of Services.

- ix. **Ownership of Data, Records, and Work Products.** Any and all data, records, and Work Products shall be deemed the property of the Authority. The Authority has the right to inspect or recall these products for any reason and at any time with notice to the Contractor.

j. **Notice**

All notices required by this Agreement concerning the Contractor's termination or resignation will be in writing and shall be deemed given when (i) delivered by hand (including courier) or when such delivery is refused, (ii) delivered by registered or certified mail (return receipt requested) or when such delivery is refused, or when (iii) delivered by a nationally recognized overnight delivery service which maintains records of time, place, and recipient of delivery, in each case to the parties at the following addresses or to other addresses as may be furnished in writing by one party to the other as provided below:

Authority: Chief Housing Solutions Officer
Michigan State Housing Development Authority
735 E. Michigan Avenue
Lansing, MI 48912

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

AGREEMENT FOR PROFESSIONAL SERVICES

WITH

PINE GROVE HOUSING SERVICE LLC

EXHIBIT C

PAYMENT TO CONTRACTOR

1. **Monthly Pay Per Voucher (Base Pay)**

The Michigan State Housing Development Authority (“Authority” or “MSHDA”) will pay the Contractor a monthly fee for each Voucher under a Housing Assistance Payment (“HAP”) Contract in effect on the first day of each month that the Contractor administers the Housing Choice Voucher (“HCV”) Program. The monthly fee for each Voucher and HAP Contract is the Base Pay. The Base Pay is established prior to the execution of an awarded contract.

Throughout the term of the awarded contract, the Authority will pay the Contractor the Base Pay of **\$26.00** (twenty-six dollars) for each Voucher that is: (a) under an executed HAP Contract, and (b) approved for payment by the Authority. The Contractor will receive the Base Pay only if the HAP Contract is effective as of the first day of a particular month.

If a HAP Contract is not effective as of the first day of a particular month, the Contractor will receive no payment for that particular Voucher until the following month.

The Authority may reduce the Base Pay if the Department of Housing and Urban Development (“HUD”) reduces the funding to the Authority (i.e., the Administrative Fee)

for administering the HCV Program, or if increased costs are incurred by the Authority for administering the HCV Program. The reduction in the Base Pay shall be an amount determined by the Authority.

2. **Density Pay**

The density ratio of the Contractor's portfolio will be determined at the time of initial Contract or Amendment execution by using the total voucher Allocation as the numerator and the total Area covered as the denominator. The total Area covered will be calculated by using the Square Miles of each County within the Contractor's portfolio.

The density ratio is based on the total voucher Allocation awarded to the Contractor and will not be granted on a county by county basis. If the density ratio is under 15%, the Authority will increase the Contractor's Base Pay, as outlined in Section 1 of this Exhibit, by **\$2.00** (two dollars).

Example of Density Ratio Calculation:

The Contractor is awarded seven counties. The total voucher allocation for all seven counties is 676. The total area covered for all seven counties is 4,752.46 square miles.

The density ratio for the Contractor's awarded portfolio is: $676 \div 4,752.46 = 14\%$

In this example, the Contractor would be eligible for the density pay because the calculated density ratio is under the required 15%.

The Authority may reduce or eliminate the Density Pay if HUD reduces the funding to the Authority (i.e., the Administrative Fee) for administering the Program, or if increased costs are incurred by the Authority for administering the Program. The reduction in the Density Pay shall be an amount determined by the Authority.

In accordance with the above analysis, the Contractor does not qualify for Density Pay.

3. **Veterans Affairs Supportive Housing (VASH) Pay**

If the Contractor administers VASH Vouchers, or administers VASH Incoming Portability that are billable to the Authority, the Authority will pay the Contractor an additional **\$1.00** (one dollar) for each VASH Voucher under an executed HAP Contract and approved for payment on the first day of each month. The VASH Pay will be distributed annually based on monthly contracted cases for VASH Vouchers.

The Authority may reduce or eliminate the VASH Pay if HUD reduces the funding to the Authority (i.e., the Administrative Fee) for administering the Program, or if increased costs are incurred by the Authority for administering the Program. The reduction in the VASH Pay shall be an amount determined by the Authority.

In accordance with the above analysis, the Contractor may qualify for VASH Pay if the outlined circumstances are met.

4. **Michigan Department of Corrections (MDOC) Pay**

If the Contractor administers MDOC Vouchers, the Authority will pay the Contractor an additional **\$1.00** (one dollar) for each MDOC Voucher under an executed HAP Contract and approved for payment on the first day of each month. The MDOC Pay will be distributed annually based on monthly contracted cases for MDOC Vouchers.

The Authority may reduce or eliminate the MDOC Pay if HUD reduces the voucher funding to the Authority (i.e., the HAP and/or Administrative Fee) or if increased costs are incurred by the Authority for administering the Initiative. The reduction in the MDOC Pay shall be an amount determined by the Authority.

In accordance with the above analysis, the Contractor may qualify for MDOC Pay if the outlined circumstances are met.

5. **Incentive Pay**

The Annual Performance Summary, described in Exhibit D – *Performance Measures and Incentive Pay* (“Exhibit D”) and completed by the Authority in January following the 12-month performance period, will determine whether the Contractor has met the criteria to receive Incentive Pay.

If the Contractor meets the criteria to receive Incentive Pay for the calendar year as described in Exhibit D, Section 4, the Contractor will receive Incentive Pay of **\$1.00** (one dollar) for each Voucher that is; (a) under an executed HAP Contract and (b) approved for payment by the Authority. If the Contractor’s Lease-Up is rated at higher than one hundred percent, Incentive Pay will only be paid for one hundred percent of the overall allocation. No Incentive Pay will be paid for over leasing. Incentive Pay will be paid to the Contractor once the Annual Performance Summary shows the Contractor has met the Incentive Pay criteria and is approved by the Authority’s Chief Housing Solutions Officer.

The Authority may reduce or eliminate the Incentive Pay if HUD reduces the funding to the Authority (i.e., the Administrative Fee) for administering the Program, or if increased costs are incurred by the Authority for administering the Program. The reduction in the Incentive Pay shall be an amount determined by the Authority.

6. **Repayment Agreement Special Fees**

The Contractor may be eligible for a Repayment Agreement Special Fees payment at the end of the 12-month term of this Agreement. The repayment agreement total will only

include executed repayment agreements generated during the 12-month period of this Agreement and executed repayment agreements from previous years that are actively being billed during the 12-month period of this Agreement. The Contractor is only eligible for projected recovery on their Agency's executed repayment agreements. Any dispute regarding active repayment agreements eligible for payment shall be determined in the sole discretion of the Authority.

Repayment Agreement recovery is split 50 percent into the Authority HAP account and 50 percent into the Authority Administrative Fee account. All special fees provided in this section will be from the 50 percent Administrative Fee account. Only the amount of projected recovery is subject to the following calculation excluding all other amounts collected in the Administrative Fee account.

The Authority will apply the following criteria when determining if the Contractor has met the eligibility requirements for special fees under this section:

- a. If the Contractor has executed repayment agreements in place for the entire 12-month period that are between 1.5 percent to 2.49 percent of the Contractor's total HUD allocation, the Contractor is eligible for 10 percent of the planned recovery of the Authority Administrative Fee.
- b. If the Contractor has executed repayment agreements in place for the entire 12-month period that are between 2.5 percent to 3.49 percent of the Contractor's total HUD allocation, the Contractor is eligible for 20 percent of the planned recovery of the Authority Administrative Fee.
- c. If the Contractor has executed repayment agreements in place for the entire 12-month period that are between 3.5 percent to 7 percent of the Contractor's total HUD allocation, the Contractor is eligible for 30 percent of the planned recovery of the Authority Administrative Fee.

Example of Repayment Agreement Special Fee Calculation:

The Contractor has one repayment agreement with a monthly recapture amount set at \$40.00. The repayment agreement was active for recovery for the full 12 months of the calendar year. The projected full recovery on this repayment agreement is: $\$40 * 12 = \480.00 .

MSHDA will place 50% of the projected recovery into the Authority HAP account and 50% in the Authority Administrative Fee account. The total amount placed in the Authority Administrative Fee account is: $\$480 * .50 = \240.00 .

In this example, the Contractor is eligible for 30% of Administrative Fee recovery; therefore, the amount the Contractor would receive for this repayment agreement is: $\$240 * .30 = \72.00 .

The HUD allocation will be obtained from the December locked performance date. The Contractor, if deemed eligible by the Authority, may only request Repayment Agreement Special Fees under one of the letter options (a, b, or c) above. The letter options cannot be combined, or Repayment Agreement Special Fees granted for more than one letter option.

The Contractor is not eligible for any Repayment Agreement Special Fees that exceeds 7 percent of the Contractor's total HUD allocation. The Contractor will not be paid special fees for inactive participants with active repayment agreements. The Contractor will not be paid special fees for inactive repayment agreements.

The Authority reserves the right to audit at least 10 percent of the total number of repayment agreements generated for the 12-month period for each Contractor to ensure program compliance. If the Authority determines the Contractor is non-compliant with program policy and standard operating procedures, the Authority may, at its sole discretion, deem the Contractor ineligible for the special fees under this section. The Contractor is also not eligible for Repayment Agreement Special Fees if they are in default of any other section of the Agreement.

In the event a repayment agreement is reversed either by Authority Staff or Final Decision, that amount may be removed from the percentage calculation. This section is subject to any change in HUD regulations or Notices that would restrict the Authority from making these payments.

7. **HUD Designated Special Fees**

The Authority may be contacted by HUD to take on new vouchers (i.e., Housing Conversion Actions (HCA) or Rental Assistance Demonstration (RAD) projects). When the Authority is awarded a new project, Special Fees (Administrative Fees) are provided to compensate for the initial costs of assisting new participants in a short period of time. The Special Fees for new projects are awarded to the Authority by HUD and a portion of that fee may be awarded to the Contractor.

If Special Fees are to be paid to the Contractor, the Authority shall pay the Contractor under the following structure:

- a. Initial Fee: **\$25.00** (twenty-five dollars) per unit affected by the new project as funded under the official HUD award notice; and
- b. Final Fee: **\$25.00** (twenty-five dollars) per unit placed under contract and approved for payment by the Authority.

The Authority may reduce or eliminate the Special Fees if HUD reduces the funding to the Authority (i.e., the Administrative Fee) for administering the Program, or if increased costs are incurred by the Authority for administering the Program. The reduction in the Special Fees shall be an amount determined by the Authority.

6. **MSHDA Designated Special Fees**

The Authority may develop a new initiative which requires the Contractor to perform duties beyond the outlined Exhibit B – *Scope of Work* (“Exhibit B”). When the Authority determines the parameters of these initiatives, RAHS Special Fees (Administrative Fees) may be awarded to the Contractor up to, but not exceeding, **\$25,000.00** (twenty-five thousand dollars). The amended Contractor duties will be provided in an addendum to Exhibit B and the revised pay rates will be provided in an addendum to the Exhibit C – *Payment to Contractor* (“Exhibit C”).

The Authority may reduce or eliminate the RAHS Special Fees if HUD reduces the funding to the Authority (i.e., the Administrative Fee) for administering the Program, or if increased costs are incurred by the Authority for administering the Program. The reduction in the Special Fees shall be an amount determined by the Authority.

7. **Homeownership Incentive Fee**

The Authority shall pay the Contractor a bonus of **\$200.00** (two hundred dollars) per Participant after receiving written notice from the Contractor that:

- a. The Participant has exited the HCV Program with a reason code of Homeownership;
- b. The Participant no longer receives rental assistance because the Participant has become a homeowner; and
- c. The Authority is able to make contact with the Participant to verify proof of purchase.

The Contractor is not entitled to the fee if the Participant has left the HCV Program due to a violation of the HCV Program.

The Authority may reduce or eliminate the Homeownership Incentive Fee if HUD reduces the funding to the Authority (i.e., the Administrative Fee) for administering the Program, or if increased costs are incurred by the Authority for administering the Program. The reduction in the Homeownership Fee shall be an amount determined by the Authority.

8. **Financial Penalties**

Errors committed by the Contractor that result in the inappropriate disbursement of HAP/UAP monies cannot be collected through the Authority's standard accounting practices to recapture inappropriately disbursed monies directly from the participant and/or landlord of record. Therefore, if the Authority determines that a file is out of compliance with the requirements for the administration of the Program and the result is the inappropriate disbursement of HAP/UAP monies due to errors committed by the Contractor, financial penalties may be assigned to the Contractor by the Authority.

If the Contractor was not assigned to the voucher file for the duration of the period of non-compliance, financial penalties will only be charged for the time period when the Contractor was responsible for the voucher file after any applicable grace period provided by the Authority due to the transfer of the voucher file.

The Contractor will be given proper notice of the error including the amount of the financial penalty to be assessed.

a. MSHDA Findings

If an error that meets the criteria within this section is identified by MSHDA staff or is reported by the Contractor, the amount to be recovered from the Contractor will be the Base Pay fee for the identified voucher file(s) for the duration of the period of non-compliance. The Contractor must work with MSHDA staff to properly correct the error at the time of notification.

All financial penalties under this section will be assessed at the time of identification but will not be recovered until the end of the Contract year. Full payment of all financial penalties will be recovered by the Authority in the January payment to the Contractor.

b. Third Party Auditor Findings

The amount to be recovered from the Contractor will be the full cost of the of the HAP/UAP inappropriate disbursement for the duration of the period of non-compliance. If the Authority incurs a financial penalty for the inappropriate disbursement HAP/UAP funds, the Authority reserves the right to charge Base Pay penalties to the Contractor in addition to the financial penalty for the inappropriately disbursed HAP/UAP monies.

All financial penalties under this section will be assessed and recovered at the time of identification. Payment will be recovered from the Contractor in one of the following ways: (a) Recovery of the full amount from the next monthly payment to the Contractor; or (b) The Contractor pays the Authority the full amount via check or money order. If the amount to be recovered is deemed to be a financial hardship by the Contractor, a payment plan may be established with the Authority for the full repayment of the funds owed.

c. SEMAP Audit Findings

If the Contractor causes the Authority to fail any Section Eight Management Assessment Program (SEMAP) Indicator resulting in the Authority receiving a Troubled rating by HUD, the Contractor will be required to execute a Corrective Action Plan, as drafted by the Authority, no later than five (5) business days from the date of notice by the Chief Housing Solutions Officer. In addition, the Authority reserves the right to recapture Base Pay for the identified voucher file(s) for the duration of the period of non-compliance and/or reduce Incentive Pay to the Contractor for the duration of the period of non-compliance.

9. **Billing Procedures**

The Authority will initiate the billing process each month by generating a program in the HCV Program Management Software (“Program Software”) and forwarding to appropriate Authority staff to submit for release of payment. A report developed in Program Software entitled **Admin Fee Payments**, located under **HCV/Resident Processing/Agent Reports** will show a printout of all HAP Contracts active as of the first of the current month.

The Authority will make necessary adjustments and deductions as indicated in this Exhibit.

- a. The Contractor must compare the previous month’s report to the current month’s report to ensure that the billing includes all the existing HAP Contracts for the payment period.
- b. The Contractor will contact the Finance Accounts Payable staff with discrepancies including Participant name and reason for discrepancy.
- c. The Finance Accounts Payable staff will investigate discrepancies and make adjustments, if necessary, following the guidelines established in this Exhibit by the next month’s billing. Adjustments, negative or positive, will be made with prior notice to the Contractor via e-mail.

- d. The Contractor must submit corrections to Finance Accounts Payable staff by the 15th calendar day of the current month in order for the Contractor's corrections to appear on the next month's billing.
- e. The Authority will process payment in accordance with the terms of this Agreement to the Contractor and based on the annual payment schedule. Payment includes the previous month's activity and the current month's active HAP Contracts.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

AGREEMENT FOR PROFESSIONAL SERVICES

WITH

PINE GROVE HOUSING SERVICE LLC

EXHIBIT D

PERFORMANCE MEASURES AND INCENTIVE PAY

1. **Overview**

The Michigan State Housing Development Authority (“Authority” or “MSHDA”) shall measure the Contractor’s performance of the activities described in this Agreement, and its attached and incorporated Exhibits, Monthly Performance standards, and Quarterly Field Audits.

Additionally, the Authority has established guidelines for an Annual Summary and Incentive Pay as defined in this Exhibit.

2. **Monthly Performance Standards**

a. Monthly Performance Standards Criteria

At the end of each month the Authority will use both the HCV Program Management Software (“Program Software”) and reports generated from the Department of Housing and Urban Development’s (“HUD”) Public and Indian Housing (“PIH”) Information Center (“PIC”) to measure the Contractor’s performance against each Monthly Standard listed below: (A performance schedule will be released at the beginning of each calendar year indicating the date and time Monthly Performance will be locked and evaluated.)

i. Individual Monthly Performance Standards.

The Authority will measure the following standards when conducting Monthly Performance Ratings:

- 1) Lease Up Rate,
- 2) Annual Re-Examination Rate,
- 3) Late New Admissions,
- 4) Multifamily Tenant Characteristic System (MTCS) Errors,
- 5) Pre-Contract Housing Quality Standards (HQS), and
- 6) Biennial Housing Quality Standards (HQS).

ii. Monthly Performance is determined by ratings established by the Authority in this Exhibit.

iii. Based on the Contractor's score earned for each Monthly Performance Standard, the Authority will rate the Contractor's Performance for each Standard as follows:

- 1) High Performer;
- 2) Standard Performer; or
- 3) Troubled Performer

iv. The Contractor's rating will be determined by the following criteria:

- 1) **High Performer.** To achieve an overall High Performer rating for a particular month, the Contractor must achieve a minimum of five (5) High Performer ratings and one (1) Standard Performer Rating, and the Standard Rating may not be in Lease-Up.
- 2) **Standard Performer.** To achieve an overall Monthly Standard Performer Rating, the Contractor achieves a minimum of a Standard Rating in all six (6) categories, but has not met the standards for a High Performer Rating. A Standard Rating in Lease-Up will result in an overall Standard Performer Rating.

3) **Troubled Performer.** One (1) Monthly Performance standard rated Troubled will result in an overall Monthly Troubled Performer Rating.

vii. Individual Monthly Performance Standards.

The Authority will measure the following standards when conducting Monthly Performance Ratings:

- 1) Lease Up Rate,
- 2) Annual Re-Examination Rate,
- 3) Late New Admissions,
- 4) Multifamily Tenant Characteristic System (MTCS) Errors,
- 5) Pre-Contract Housing Quality Standards (HQS), and
- 6) Biennial Housing Quality Standards (HQS).

b. **Monthly Performance Standards Table**

Monthly Performance Standards are measured every month by reviewing data submitted by the Contractor into the Program Software and reported by the Authority to PIC.

Monthly Performance Standard	Required tasks, activities, or actions Contractor must perform	Guidelines for Performance Rating																							
<p>Lease-Up Rate</p>	<p>The Contractor has maintained the Lease-Up Rate in accordance with HUD regulations for the allocation of Vouchers in their portfolio.</p> <p>Lease-Up Rating will be rounded to the nearest whole number for Standard and Troubled.</p>	<ul style="list-style-type: none"> • High Rating – Contractor maintains a lease-up rate percentage in the month being rated of 97.00% or more. • Standard Rating – Contractor maintains a lease-up rating percentage in the month being rated of 96.99% to 94.45%. • Troubled Rating – If the Contractor fails to maintain a lease-up rate percentage in the month being rated at or below 94.44%. 																							
<p>Late Annual Re-Examinations</p>	<p>The Contractor has completed an Annual Re-Examination for each Participating family in accordance with HUD regulations. Annual Re-Examinations are considered complete if they are approved for payment in the Program Software prior to the date and time Performance is run.</p>	<table border="1" data-bbox="776 1073 1500 1388"> <thead> <tr> <th colspan="2"></th> <th colspan="3">Number of Late Annual Re-Examinations:</th> </tr> <tr> <th colspan="2"></th> <th>High</th> <th>Standard</th> <th>Troubled</th> </tr> </thead> <tbody> <tr> <th rowspan="3">HA Size:</th> <td>Small (less than 1,000)</td> <td>0</td> <td>1-2</td> <td>3+</td> </tr> <tr> <td>Medium (1,000 - 2,000)</td> <td>0</td> <td>1-3</td> <td>4+</td> </tr> <tr> <td>Large (+2,000)</td> <td>0</td> <td>1-4</td> <td>5+</td> </tr> </tbody> </table>			Number of Late Annual Re-Examinations:					High	Standard	Troubled	HA Size:	Small (less than 1,000)	0	1-2	3+	Medium (1,000 - 2,000)	0	1-3	4+	Large (+2,000)	0	1-4	5+
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	Large (+2,000)	0	1-4	5+																					

Monthly Performance Standard	Required tasks, activities, or actions Contractor must perform	Guidelines for Performance Rating																									
Late New Admissions and Moves	The Contractor has completed all New Admissions and Moves in the Program Software in accordance with HUD regulations. New Admissions and Moves are considered complete if they are approved for payment in the Program Software within 60 days of the certification effective date.	<table border="1"> <thead> <tr> <th colspan="5" data-bbox="776 558 1498 659">Number of Late New Admissions and Moves:</th> </tr> <tr> <th data-bbox="776 659 841 793" rowspan="4">HA Size:</th> <th data-bbox="841 659 1089 730">High</th> <th data-bbox="1089 659 1338 730">Standard</th> <th colspan="2" data-bbox="1338 659 1498 730">Troubled</th> </tr> </thead> <tbody> <tr> <td data-bbox="841 730 1089 802">Small (less than 1,000)</td> <td data-bbox="1089 730 1338 802">0</td> <td data-bbox="1338 730 1446 802">1-2</td> <td colspan="2" data-bbox="1446 730 1498 802">3+</td> </tr> <tr> <td data-bbox="841 802 1089 873">Medium (1,000 - 2,000)</td> <td data-bbox="1089 802 1338 873">0</td> <td data-bbox="1338 802 1446 873">1-3</td> <td colspan="2" data-bbox="1446 802 1498 873">4+</td> </tr> <tr> <td data-bbox="841 873 1089 945">Large (+2,000)</td> <td data-bbox="1089 873 1338 945">0</td> <td data-bbox="1338 873 1446 945">1-4</td> <td colspan="2" data-bbox="1446 873 1498 945">5+</td> </tr> </tbody> </table>	Number of Late New Admissions and Moves:					HA Size:	High	Standard	Troubled		Small (less than 1,000)	0	1-2	3+		Medium (1,000 - 2,000)	0	1-3	4+		Large (+2,000)	0	1-4	5+	
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M T C S Errors	The data entered into Program Software is accurate for 50058 submissions to HUD. Errors will be charged based on HUD electronic system reports.	<table border="1"> <thead> <tr> <th colspan="5" data-bbox="776 1171 1498 1243">Number of MTCS Errors:</th> </tr> <tr> <th data-bbox="776 1243 841 1377" rowspan="4">HA Size:</th> <th data-bbox="841 1243 1089 1314">High</th> <th data-bbox="1089 1243 1338 1314">Standard</th> <th colspan="2" data-bbox="1338 1243 1498 1314">Troubled</th> </tr> </thead> <tbody> <tr> <td data-bbox="841 1314 1089 1386">Small (less than 1,000)</td> <td data-bbox="1089 1314 1338 1386">1</td> <td data-bbox="1338 1314 1446 1386">2-4</td> <td colspan="2" data-bbox="1446 1314 1498 1386">5+</td> </tr> <tr> <td data-bbox="841 1386 1089 1457">Medium (1,000 - 2,000)</td> <td data-bbox="1089 1386 1338 1457">2</td> <td data-bbox="1338 1386 1446 1457">3-8</td> <td colspan="2" data-bbox="1446 1386 1498 1457">9+</td> </tr> <tr> <td data-bbox="841 1457 1089 1528">Large (+2,000)</td> <td data-bbox="1089 1457 1338 1528">3</td> <td data-bbox="1338 1457 1446 1528">4-12</td> <td colspan="2" data-bbox="1446 1457 1498 1528">13+</td> </tr> </tbody> </table>	Number of MTCS Errors:					HA Size:	High	Standard	Troubled		Small (less than 1,000)	1	2-4	5+		Medium (1,000 - 2,000)	2	3-8	9+		Large (+2,000)	3	4-12	13+	
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Pre-Contract HQS	The Contractor has followed the proper procedures for ensuring that each newly leased unit passes the HQS Inspection before the beginning date of the HAP Contract.	<ul style="list-style-type: none"> <li data-bbox="813 1539 1498 1610">• High Rating – Contractor must achieve 100.00% completion. <li data-bbox="813 1646 1498 1717">• Standard Rating – Does not apply as the Indicator is a pass/fail. <li data-bbox="813 1753 1498 1824">• Troubled Rating – Contractor achieves below 100.00% completion. 																									

Monthly Performance Standard	Required tasks, activities, or actions Contractor must perform	Guidelines for Performance Rating																				
Biennial HQS	The Contractor has followed proper procedures for inspecting all assigned units within 730 days and entered the data into the Program Software.	<table border="1"> <thead> <tr> <th colspan="4" data-bbox="768 457 1485 489">Number of Late HQS:</th> </tr> <tr> <th data-bbox="768 489 841 520"></th> <th data-bbox="841 489 1078 520">High</th> <th data-bbox="1078 489 1330 520">Standard</th> <th data-bbox="1330 489 1485 520">Troubled</th> </tr> </thead> <tbody> <tr> <td data-bbox="768 520 841 630">HA Size: Small (less than 1,000)</td> <td data-bbox="841 520 1078 630">1</td> <td data-bbox="1078 520 1330 630">2</td> <td data-bbox="1330 520 1485 630">3+</td> </tr> <tr> <td data-bbox="768 630 841 699">Medium (1,000 - 2,000)</td> <td data-bbox="841 630 1078 699">1</td> <td data-bbox="1078 630 1330 699">2-3</td> <td data-bbox="1330 630 1485 699">4+</td> </tr> <tr> <td data-bbox="768 699 841 768">Large (+2,000)</td> <td data-bbox="841 699 1078 768">1</td> <td data-bbox="1078 699 1330 768">2-4</td> <td data-bbox="1330 699 1485 768">5+</td> </tr> </tbody> </table>	Number of Late HQS:					High	Standard	Troubled	HA Size: Small (less than 1,000)	1	2	3+	Medium (1,000 - 2,000)	1	2-3	4+	Large (+2,000)	1	2-4	5+
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3. Quarterly Field Audits

a. Quarterly Field Audit Criteria

During each quarter the Authority will select files from each Contractor to review for Quality Control to measure the Contractor's performance against each Quarterly Field Audit Standard listed below. The Authority reserves the right to periodically adjust the number of files selected for audit. If it is determined via the Quarterly Field Audit the Contractor has repeated errors and/or findings, the Authority may elect to audit additional files. In addition, the Authority may elect to conduct a Hot Spot File Review in conjunction with a Quarterly Field Audit. The Hot Spot File Review may focus on any aspect of one of the Quarterly Performance Standards.

i. Individual Quarterly Field Audit Standards.

The Authority will measure the following standards and activities when conducting the Quarterly Field Audit:

- 1) Waiting List Eligibility,
- 2) Reasonable Rent,

- 3) Adjusted Income,
 - 4) Housing Quality Standards (HQS),
 - 5) Other Log Errors
 - 6) Hot Spot File Reviews (if applicable), and
 - 7) Clerical Errors
- ii. Quarterly Field Audit Performance is determined by ratings established by the Authority in this Exhibit.
- iii. Based on the score that the Contractor earns for each of the standards covered in the Quarterly Field Audit, the Authority will rate the Contractor's Performance for each standard:
- High Performer;
 - Standard Performer; or
 - Troubled Performer
- iv. The Contractor's rating will be determined by the following criteria:
- 1) **High Performer.** To achieve an overall High Performer rating for a particular quarter, the Contractor must achieve a minimum of six (6) High Performer ratings and one (1) Standard Performer Rating when a Hot Spot File Review is conducted, and a minimum of five (5) High Performer Ratings and one (1) Standard Performer Rating when a Hot Spot File Review is not conducted. The standard rating may not be in Adjusted Income.
 - 2) **Standard Performer.** To achieve an overall Standard Rating for a particular quarter, the Contractor must achieve a minimum of a Standard Rating in all seven (7) categories, but not met the criteria for a High Performer Rating. A Standard Rating in Adjusted Income will result in an overall Standard Performer Rating.

3) **Troubled Performer.** One (1) Quarterly Field Audit Performance standard rated Troubled will result in an overall Quarterly Troubled Performer Rating.

b. Quarterly Field Audit Standards Table

Reports will be distributed to Contractors quarterly with Performance Ratings.

Quarterly Performance Standard	Required tasks, activities, or actions Contractor must perform	Guidelines for Performance Rating
Waiting List Eligibility	The Contractor has followed the applicable procedure for selection, retention, and eligibility of the Applicants from the Waiting List.	<p>High Rating – Contractor must achieve 100.00% accuracy.</p> <p>Standard Rating – Contractor must achieve between 98.00% and 99.99% accuracy.</p> <p>Troubled Rating – If the Contractor achieves below 98.00% accuracy.</p>
Reasonable Rent	<p>The Contractor has followed the applicable procedure for determining and documenting reasonable rent for every unit with a HAP Contract.</p> <p>A Rent Reasonableness error will be assigned if the unit is determined to be unaffordable or the rent reasonableness calculation is not completed.</p>	<ul style="list-style-type: none"> • High Rating – Contractor must achieve a 98.00% or greater accuracy. • Standard Rating – Contractor must achieve 97.99% to 80.00% accuracy. • Troubled Rating – If the Contractor achieves below 80.00% accuracy.

Quarterly Performance Standard	Required tasks, activities, or actions Contractor must perform	Guidelines for Performance Rating
Adjusted Income	The Contractor has followed the applicable procedure for determining and documenting Adjusted Income, HAP Payment to Landlord, and Participant's portion of rent.	<ul style="list-style-type: none"> • High Rating – Contractor must achieve 87.00% accuracy. • Standard Rating – Contractor must achieve 86.99% to 80.00% accuracy. • Troubled Rating – If the Contractor achieves below 80.00% accuracy.
Housing Quality Standards (HQS)	The Contractor has followed the applicable procedure for processing failed HQS Inspections.	<ul style="list-style-type: none"> • High Rating – Contractor must achieve 100.00% accuracy. • Standard Rating – Contractor must achieve 98.00% to 99.99% accuracy. • Troubled Rating – If the Contractor achieves below 98.00% accuracy.
Other Log Errors	A Log Error will be charged if the identified error does not fall into a specific category as outlined in the above Standards.	<ul style="list-style-type: none"> • High Rating – Contractor must achieve 92.00% accuracy. • Standard Rating – Contractor must achieve 91.99% to 80.00% accuracy. • Troubled Rating – If the Contractor achieves below 80.00% accuracy.
Hot Spot File Reviews	The Contractor has followed the established procedures outlined in policy for the specific activity audited.	<ul style="list-style-type: none"> • The performance rating for this standard will be based on the established performance rating of the Quality Performance Standard for which the Hot Spot File Review is focused on (e.g. Waiting List, Reasonable Rent, Adjusted Income or Housing Quality Standards).

Quarterly Performance Standard	Required tasks, activities, or actions Contractor must perform	Guidelines for Performance Rating
Clerical Errors	A Clerical Error will be charged if the identified error does not meet the threshold of falling into a specific category as outlined in the above Standards.	<ul style="list-style-type: none"> • High Rating – Contractor has an average of one error or less per case audited. • Standard Rating – Contractor has an average of more than one error and less than three errors per case audited. • Troubled Rating – Contractor has an average of more than three errors per case audited.

4. **Guidelines for Incentive Pay**

a. Guidelines for Incentive Pay

An Annual Summary will be completed for each Contractor in January of each Contract year. The Summary will be based on the overall compilation of the:

- Monthly Performance Ratings, and
- Quarterly Field Audits

i. **Criteria to Receive Incentive Pay**

Once the Annual Summary is completed and approved by the Authority's Chief Housing Solutions Officer, Incentive Pay may be paid out if all of the following criteria are met:

- 1) Monthly Performance Rating – Nine (9) out of twelve (12) Months must have an overall High Performance rating;
- 2) Quarterly File Audit – Three (3) out of four (4) Quarters must have an overall High Performance rating; and

3) A Contractor is not eligible for Incentive Pay if they receive more than one overall Troubled Performer rating in a Monthly Performance or Quarterly Field Audit in any calendar year.

a. In January, an evaluation will be completed to determine the number of vouchers under contract for each calendar month in the previous Contract year. If the Contractor meets the criteria outlined above, they are eligible for Incentive Pay for the months where the Monthly Performance Rating is an overall High Performance rating.

ii. Incentive Pay will be paid as outlined in Exhibit C, Section 4 attached and incorporated into this Agreement.

5. **Troubled Performance Ratings**

Troubled Performance Ratings can occur during a Monthly or Quarterly Review.

If a Contractor receives three (3) or more overall Troubled Performance Ratings within a consecutive twelve (12) month period of the one-year Contract term, the Contractor will be required to execute a Corrective Action Plan, as drafted by the Authority, no later than five (5) business days from the date of notice by the Authority's Chief Housing Solutions Officer.

6. **Uncorrected Deficiencies**

If the standards set forth for performance in this Exhibit are not met per notification by the Authority, the Contractor will be required to execute a Corrective Action Plan, as drafted by the Authority, no later than five (5) business days from the date of notice by the Authority's Chief Housing Solutions Officer. The Contractor will have ninety (90) calendar days to successfully implement the action plan, correct all deficiencies, and maintain at

least a Standard Performance rating in both Monthly Performance and Quarterly Field Audits for at least the ninety (90) days following the execution of the Corrective Action Plan.

No more than one Corrective Action Plan will be executed during a twelve (12) month period during the term of this Agreement. Failure to meet the terms outlined in the Corrective Action Plan may result in a material breach of this agreement.

7. **Contractor Performance Disputes**

The Contractor may dispute any Performance rating received by submitting a Performance Dispute. The Contractor must submit Performance Disputes and any supporting documentation to the Authority in writing within fourteen (14) calendar days of the release of the Monthly or Quarterly Performance Review in dispute. The Authority will then review the Performance Dispute and provide a written decision within ten (10) business days of receipt.

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
AGREEMENT FOR PROFESSIONAL SERVICES
WITH
PINE GROVE HOUSING SERVICE LLC**

**EXHIBIT E
SECURITY REQUIREMENTS**

The Contractor must safeguard and prevent potential breaches of all Personally Identifiable Information (“PII”) and Sensitive PII required by the Michigan State Housing Development Authority (“Authority” or “MSHDA”) for administration of the Housing Choice Voucher (“HCV”) Program. The Contractor must submit this Exhibit with the Housing Agent Agreement certifying compliance with the security requirements outlined in this Exhibit.

Failure to comply with the security requirements outlined in this Exhibit and/or failing to promptly notify the Authority of a security breach will be considered a material breach of this Agreement.

1. Definition

Sensitive PII is defined as information which can be used to directly or indirectly distinguish or trace an individual’s identity. Sensitive PII can be used either alone or in combination with other personal or identifying information that is linked or linkable to that individual. Sensitive PII is PII, which if lost, compromised, or disclosed without authorization, could result in substantial harm, embarrassment, inconvenience, or unfairness to an individual.

To *distinguish* an individual is to identify an individual. To *trace* an individual is to process sufficient information to make a determination about a specific aspect of an individual's activities or status.

Linked information is information about or related to an individual that is logically associated with other information about the individual. *Linkable* information is information about or related to an individual for which there is a possibility of logical association with other information about the individual.

The following personal identifiers are Sensitive PII even if they are not linked with additional PII or contextual information:

- a. First and last name or alias;
- b. Complete (9-digit) SSN;
- c. Alien Registration Number (A-Number);
- d. Driver's license or state identification number;
- e. Passport number;
- f. Taxpayer identification number;
- g. Internet Protocol (IP) or Media Access Control (MAC) address or other host-specific persistent static identifier;
- h. Telephone number;
- i. Vehicle registration number or title; or
- j. Biometric Identifiers (e.g., fingerprint, iris scan, facial recognition, voice print)

The following information is Sensitive PII when linked with the person's name or other unique identifier, such as an address or phone number:

- a. Portions of an SSN including the last four digits;
- b. Place of birth;

- c. Full date of birth;
- d. Citizenship or immigration status;
- e. Authentication information such as a parent name(s) or maiden name(s);
- f. Medical information;
- g. Criminal history;
- h. Education information;
- i. Financial information;
- j. Credit card numbers;
- k. Bank account numbers; or
- l. Other data created by MSHDA or HUD to identify or authenticate an individual identify such as an Alternate Identification Number (AID) referred to as "H-Number" by the Authority.

Sensitive PII requires stricter handling guidelines because of the increased risk to an individual if the data is compromised.

A Security Breach is defined as the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons, other than authorized users and for an unauthorized purpose, have access or potential access to PII in a usable form, whether hard copy or electronic. The term encompasses both **suspected and confirmed** incidents, whether intentional or inadvertent, involving PII which raise a reasonable risk of harm.

2. **Types of Media**

Hard copy media is physical representations of information, most often associated with paper printouts. However, printer and facsimile ribbons, drums, and platens are all examples of hard copy media. The supplies associated with producing paper printouts are often the most uncontrolled. Electronic (or soft copy) media are the bits and bytes

contained in hard drives, random access memory (RAM), read-only memory (ROM), disks, removable memory devices, phones, mobile computing devices, networking devices, office equipment, and email (list is not all inclusive).

Removable memory devices include, but is not limited to, thumb drives, CDs, and external hard drives.

Electronic Data and Access Codes is collectively defined as (a) any and all program data in an electronic format; (b) and all codes, passwords, access keys and any other data that allows the Contractor to connect to and access Database Software (presently Elite) and HUD required programs.

3. **Authority and HUD Requirements**

In performing its duties and responsibilities as specified in this Agreement, the Contractor will comply at all times with all applicable HUD and Authority rules, regulations, and requirements, including Equal Opportunity rules. Additionally, the Contractor is responsible for complying with the following:

- a. Identity Theft Protection Act (2004 PA 452: MCL 445.61 et seq., as amended by 566 PA 2006)
- b. Social Security Number Privacy Act (454 PA 2004; MCL 334.81 et seq.)
- c. State of Michigan Computer Crime Law (Public Acts 1979-53)
- d. All federal and state laws concerning confidentiality and the security of PII and Sensitive PII that is in its possession.
- e. All State and Federal laws regarding confidentiality to protect an individual's rights and privacy.

The Contractor and Key Persons of the Contractor must attend annual security awareness sessions and complete required forms before performing services for the Authority.

4. **Manage Access to Sensitive PII**

The Contractor shall not disclose information or documents created or maintained in connection with an awarded contract to anyone other than the Contractor's staff assigned to an awarded contract or Authority staff, without the direction or prior consent of Authority staff. Neither the Contractor nor its Key Persons or agents shall use information or documents created or maintained in connection with the awarded contract to further any private interest without the prior written consent of the Authority.

The Contractor will not use the State's data for any purpose other than providing the services set forth in an awarded contract, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public, to specific third parties or commercially exploited by or on behalf of the Contractor, nor will any Key Person of Contractor other than those on a strictly need to know basis have access to the State's data. The Contractor shall only use PII as strictly necessary to provide the services and shall disclose such information only to its Key Persons who have a strict need to know regarding such information. The Contractor shall comply at all times with all laws and regulations applicable to such PII.

- a. Only collect Sensitive PII that you have the legal authority to collect.
- b. Never leave Sensitive PII unattended and unsecured.
- c. Only share or discuss Sensitive PII with personnel who have a need to know for purposes of their work. Challenge anyone who asks for access to Sensitive PII for which you are responsible.

- d. Avoid discussing Sensitive PII if there are unauthorized personnel, Contractors, or other third parties in the adjacent cubicles, rooms, or hallways who may overhear your conversations.
- e. Hold meetings in a secure space (i.e., no unauthorized access or eavesdropping possible) if Sensitive PII will be discussed or viewed. Treat notes and minutes from such meetings as confidential unless you can verify that they do not contain Sensitive PII.
- f. Record the date, time, place, subject, chairperson, and attendees at any meeting involving Sensitive PII.
- g. Do not distribute or release Sensitive PII to MSHDA employees, Contractors, or other third parties unless the release is authorized, proper and necessary.
- h. When discussing Sensitive PII on the telephone, confirm that you are speaking to the identified person or their designated representative before discussing any information. Inform the caller that the discussion will include Sensitive PII.
- i. Never leave messages containing Sensitive PII on voicemail.
- j. Only print, extract, or copy Sensitive PII when required for administration of the Housing Choice Voucher Program.
- k. Before emailing, printing, or making paper copies, redact Sensitive PII that is not necessary for your immediate use or required for administration of the Housing Choice Voucher Program.
- l. Never leave Sensitive PII unattended on a desk, network printer, fax machine, or copier.
- m. All computer systems, electronic devices, and portable media used to conduct business with the Authority will be used for business purposes only.
- n. Use a privacy screen if you regularly access Sensitive PII in an unsecured area where the public can see your screen.
- o. Lock your computer when you leave your desk.

- p. Do not permit your computer to remember passwords.
- q. All computer systems used to conduct business with the Authority must be encrypted.
- r. All electronic devices and portable media must be password protected.
- s. Do not use your personal computer to access, save, store, or host Sensitive PII.
- t. Do not transfer files to your home computer or print records on your home printer.
- u. Do not forward e-mails containing Sensitive PII to your personal email account so you can work on it on your home computer.
- v. Do not post Sensitive PII on any Internet site.
- w. If someone sends you Sensitive PII in an unprotected manner, you must protect that data in the same manner as all Sensitive PII you handle once you receive it.
- x. If someone sends unsecured Sensitive PII in the body of an e-mail to you, you must encrypt that data if you wish to email it to anyone else.

5. Transporting Sensitive PII

- a. Physically secure Sensitive PII when in transit.
- b. Never leave paper files, computers, electronic devices, or portable media in plain sight in an unattended vehicle. If you must leave it in a car, lock it in the trunk so that it is out of sight.
- c. Do not leave your paper files, computers, electronic devices, or portable media in your car overnight.

6. Transfer of Sensitive PII

- a. When mailing outbound correspondence that contains Sensitive PII, use the following quality controls:
 - i. Seal Sensitive PII materials in an opaque or tinted envelope.
 - ii. If using window envelopes, place the Sensitive PII away from the window so it cannot be seen.

- b. Email Sensitive PII within an encrypted attachment with the password provided separately (e.g., by phone, another email, or in person). Do not send Sensitive PII within the body of an email.
- c. Limit the transmission Sensitive PII by fax. Take appropriate measures to protect the confidentiality of the fax:
 - i. Alert the recipient prior to faxing so they can retrieve it as it is received by the fax machine.
 - ii. After sending the fax, verify the recipient received the information.

7. **Storage of Files Containing Sensitive PII**

All files are to be maintained in the office(s) designated by the Contractor and are subject to all security requirements outlined within the awarded contract and all Exhibits. The Contractor shall take reasonable steps to prevent the theft of paper and electronic files that contain PII. Such steps shall include but not be limited to:

- a. Physically secure paper files containing Sensitive PII when not in use or not otherwise under the control of the Contractor. Store all documents containing SSNs or other data elements of personal information in a physically secure manner, such as in locked drawers, cabinets, desk, or file room.
- b. Prevent unauthorized access of Sensitive PII by members of the public or persons not designated by the Contractor.
- c. All files must be stored in fire proof cabinets (Underwriters Laboratories - UL rated file cabinets) and/or the Contractor must have a fire suppression system in place. The files must be secured from the general public either by containing locking mechanisms with keys provided to only Key Persons or located in a locked room. All files must be labeled **CONFIDENTIAL**.
- d. Keep accurate records of where Sensitive PII is stored, used, and maintained.

- e. Only store Sensitive PII on computers, other electronic devices, or portable media that can be secured. SSNs must not be stored on computers, other electronic devices, or portable media that are not secured against unauthorized access.
- f. Physically secure electronic devices or portable media that contain Sensitive PII when not in use or not otherwise under the control of the Contractor. Store all documents containing SSNs or other data elements of personal information in a physically secure manner, such as in locked drawers, cabinets, desk, or file room.
 - i. All computers used for the administration of the HCV Program must have current up-to-date encryption software.
 - ii. All computers used for the administration of the HCV Program must have current up-to-date anti-virus software.
 - iii. All computers used for the administration of the HCV Program must be used for business purposes only and by authorized personnel.
 - iv. All other electronic devices and portable media must be password protected.
 - v. Do not place Sensitive PII on shared drives, multi-access calendars, the Intranet, or the Internet.

8. **Destruction of Sensitive PII**

Sensitive PII shall be destroyed when retention of the data is no longer required. Retention schedules for paper files and electronic data will be outlined by the Authority. If the Contractor no longer needs program data to render Services, or if the Contractor ceases to provide Services, the Contractor shall remove/dispose Electronic Data and Access Codes from any and all storage media that may be used, including but not limited to hard drives, flash drives, CDs, PCs, laptops, DVDs, zip drives, hand-held organizer, and storage services on the World Wide Web. When the Contractor ceases to use a computer, the Contractor shall:

- a. Dispose of paper files containing Sensitive PII appropriately by using cross-cut shredders, burn bags, or a professional destruction service agency. Secure all information awaiting removal. Sensitive PII must **not** be discarded in waste baskets, trash or the usual recycling receptacles.
- b. Dispose of electronic files containing Sensitive PII appropriately by **permanently erasing** (not just delete) electronic records. At least three (3) passes with a disk wiping utility is required.
- c. Dispose of portable media containing Sensitive PII appropriately by **permanently erasing** (not just delete) electronic records. At least three (3) passes with a disk wiping utility is required. See Department of Information Technology Procedure 1350.90 Secure Disposal of Installed and Removable Digital Media.
- d. If the Contractor believes it is required to retain program data, the Contractor shall:
 - i. Advise the Authority's Resource Specialist in writing of the requirement; and
 - ii. Retain the data in a manner and format described in this Exhibit. If the Contractor ceases to administer the Services set forth in this Agreement and the Exhibits attached and incorporated into this Agreement, the Contractor must send written notice to the Resource Specialist indicating all removal methods have been completed. Failure to comply with this provision will result in the Contractor not receiving any final payments.

9. **Username and Password Protection**

- a. All usernames and passwords issued by the Authority for administration of the HCV Program shall remain confidential and shall not be shared with anyone other than the person assigned to that username and password.
- b. The Contractor must submit a revised Key Person form (Exhibit F) and a MSHDA 1796 form to the System Manager to acquire access to information systems and databases for new personnel.

- c. The Contractor must notify the System Manager within two (2) business days of the termination of a Key Person as identified in Exhibit F of this Agreement so that access to information systems and databases can be revoked.

10. **Security Breach**

In the event of a security breach, the Contractor shall take prompt corrective action to cure any such deficiencies and any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations.

- a. You must report all Security Breaches, whether suspected or confirmed, to the System Manager promptly, but no later than one (1) business day, of the incident. If the System Manager is unavailable, or if there is a potential conflict of interest, report the incident to the Regional Manager or the Authority's Chief Housing Solutions Officer.
- b. Document or maintain records of information and actions relevant to the incident as they may be required in the Security Breach handling report.
 - i. Date and time of Security Breach;
 - ii. Type of Security Breach (e.g. virus, hacking, e-mail, etc.);
 - iii. Person(s) involved in Security Breach, if identifiable; and
 - iv. Date and time Security Breach was reported and to whom.
- c. Any alleged violations that may constitute criminal misconduct, identify theft or other serious misconduct, or reflect systemic violations within the management of the Program will be reported to the MSHDA Compliance Unit as part of the Security Breach reporting Process.
- d. When reporting a Security Breach, do not further compromise the information or risk causing another Security Breach:
 - i. Do not forward the compromised information when reporting an incident
 - ii. If and when the compromised PII is needed, you will be given instructions regarding the individual to send it to and the process for submission.

**If you see Sensitive PII in an email that you suspect constitutes a Security Breach,
remember that the information is duplicated and further compromised if you
forward or reply to it.**

SECURITY AGREEMENT

The Contractor shall comply with the security requirements outlined within Exhibit E. The Authority reserves the right to inspect files and electronic information for the purpose of confirming the adequacy of the Contractor's security practices. The Contractor agrees to respond to Authority requirements concerning the security plan to the Authority's reasonable satisfaction. The Contractor shall complete and submit to the Authority the Security Requirements Plan attached and incorporated into this Agreement as Exhibit E upon execution of this Agreement.

The Contractor understands that failure to comply with the security requirements outlined in Exhibit E will be considered a material breach of this Agreement. Further, the Contractor understands that failing to promptly notify the Authority of a security breach will also be considered a material breach of this Agreement.

As the Authorized Signatory for the Contractor, I have read and understand the security requirements outlined in Exhibit E. The Contractor understands and agrees to comply with all contents found within Exhibit E. The Contractor understands that failure to comply with the security requirements outlined in Exhibit E will be considered a material breach of this Agreement. Further, the Contractor understands that failing to notify the Authority of a security breach will also be considered a material breach of this Agreement.

PINE GROVE HOUSING SERVICE LLC

By: _____

Christina Shepard, Owner

Date: _____

11/1/18

CONTRACT NO. 16-74-HCV

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

AGREEMENT FOR PROFESSIONAL SERVICES

WITH

PINE GROVE HOUSING SERVICE LLC

EXHIBIT F

AGREEMENT TO USE AND RELEASE INFORMATION

KEY PERSONS OF THE CONTRACTOR

**AGREEMENT TO USE AND RELEASE INFORMATION CERTIFICATE VERIFYING KEY
PERSONS OF THE CONTRACTOR**

“Key Persons” are those individuals performing services and those performing services who may be subject to the State Employees’ Retirement Act, 2007 PA 95, MCL 38.68c. The Contractor acknowledges that the following personnel are Key Persons of the Contractor in accordance with Section 11 of the Housing Agent Agreement. Please have each Key Person sign the Exhibit F – *Agreement to Use and Release Information to Authority* (“Release”), as well as the questions regarding the State Employees’ Retirement Act. The Authority will approve a Key Person only if (a) the Key Person signs the Release, (b) the Criminal Screenings review does not reveal any criminal records that the Authority, in its sole discretion, deems unacceptable, and (c) is not an active Participant on the Program or a current Waiting List Applicant for the Program. Please use one Release for each Key Person who shall be performing. In addition, the selected Contractor will be required to submit additional forms for new service personnel performing services who may be considered Key Persons.

I hereby agree to disclose my name, title, and Social Security Number, to the Michigan State Housing Development Authority (“Authority” or “MSHDA”) for the purpose of allowing the Authority to perform an Internet Criminal History Access Tool review. I understand that the Authority will use the Criminal Screenings review to determine whether I can serve as a Key Person for the Contractor and perform Services as an employee or agent of the Contractor under the Housing Agent Agreement between the Contractor and the Authority. I understand that my Social Security Number will not be available to the public.

Further, I agree to authorize the Authority to use the information I have provided above to perform a background check. The background check includes, but is not limited to, criminal screenings and assessments to ensure Key Persons are not either Participants or Applicants for the MSHDA Housing Choice Voucher (“HCV”) Program.

Certificate Verifying Key Person of the Contractor

Instructions to Contractor: Please have each Key Person sign the *Agreement to Use and Release Information to Authority* (“Release”). The Michigan State Housing Development Authority (“Authority”) will approve a Key Person only if (a) the Key Person signs the Release, (b) the Authority Criminal Screenings review does not reveal any criminal records that the Authority, in its sole discretion, deems unacceptable, and (c) is not an active Participant on the Program or a current Waiting List Applicant for the Program. Please use one Release for each Key Person.

Key Person’s Name _____
(Print or type Name above line)

Name of Contractor _____

Title with Contractor _____

Social Security Number _____

Race _____

Sex _____

Date of Birth _____

Key Person’s Signature: _____

Date: _____

Is the Key Person listed above a retiree who receives a pension from the Michigan State Employees Retirement System? Yes _____/No _____

Name of Signatory for Contractor/Subcontractor _____
Print/Type Name of Signatory Above Line

Its: _____

Federal Identification Number: _____

MSHDA USE ONLY:

Passed Criminal Screenings

Passed Database (Elite/WL) Assessment

Approved By (Initials of Authority Staff): _____

CONTRACT NO. 16-74-HCV

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

AGREEMENT FOR PROFESSIONAL SERVICES

WITH

PINE GROVE HOUSING SERVICE LLC

EXHIBIT G

RETIREE REHIRE CERTIFICATION



Department of Technology, Management & Budget
 Office of Retirement Services
 www.michigan.gov/ors (800) 381-5111
 P.O. Box 30171
 Lansing MI 48909-7671

Retiree Rehire Certification

For State of Michigan Retirees

Complete this form if you retired from the state of Michigan, receive a pension, and are subsequently rehired by the state. For more information, see the back of this form and go to www.michigan.gov/orsstatedb, and navigate to the *After You Retire, Working After You Retire* section.

Section 1: To be completed by the retiree.

RETIREE NAME (LAST, FIRST, M.I.)	SSN/MEMBER ID	DAYTIME TELEPHONE ()
STREET ADDRESS		CITY, STATE, ZIP CODE
<ul style="list-style-type: none"> I understand that Defined Benefit retirees of the State Employees Retirement System who become employed by the State of Michigan as an employee, independent contractor, or through a contractual arrangement with another party, agree to <u>forfeit</u> their state pension for the duration of the reemployment. I understand that former qualified participants of the State of Michigan Defined Contribution Plan who transferred from the Defined Benefit plan to the Defined Contribution plan, retired under the 2002 Early Out, and became reemployed as described above, forfeit their retirement allowance payment for the duration of the reemployment. However, the Defined Contribution account(s) and any associated payouts would not be affected. I understand that if I am employed by the state of Michigan for any period of time within the month, I forfeit the entire pension payment for that month. I understand that I am required to repay any previous state of Michigan pension payments received in error while working for the state of Michigan as a retiree. I understand that in order to reinstate my pension payments, I must inform the Office of Retirement Services (ORS) in writing when my reemployment with the state of Michigan ends. I understand that I can only be enrolled in one State group insurance plan, either the retiree or active employee group insurance plan. Please check one box: <ul style="list-style-type: none"> <input type="checkbox"/> I am currently enrolled in the retiree group insurance plan and choose to remain in this plan. I understand that ORS will bill me directly for the retiree cost share of this insurance plan. <input type="checkbox"/> I am currently enrolled in the retiree group insurance plan and choose to cancel my enrollment in this plan. <input type="checkbox"/> I am not currently enrolled in the retiree group insurance plan. <p><i>In accordance with Public Act 240 of 1943, as amended, I certify that I am retired from the state of Michigan and I understand the conditions specified above.</i></p>		
RETIREE'S SIGNATURE		DATE SIGNED

Section 2: To be completed and signed by the employing agency.

I certify that the above individual will be employed with the state of Michigan starting ___/___/20___.		
EMPLOYING AGENCY NAME	EMPLOYING AGENCY CONTACT NAME (PRINT)	TELEPHONE NUMBER
EMPLOYING AGENCY ADDRESS	EMPLOYING AGENCY CONTACT SIGNATURE	DATE SIGNED
If the employing agency listed above is a temporary employment or contracting agency, provide the state of Michigan department/agency contact information below and send a copy of the completed form to the department listed.		
SOM DEPARTMENT NAME	SOM DEPARTMENT CONTACT NAME	TELEPHONE NUMBER

Employing agency return the completed form to:

Office of Retirement Services, P.O. Box 30171, Lansing, MI 48909-7671

R0792G (Rev. 10/2010)
 Authority: 1943 P.A. 240, as amended

