



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
Department of Technology, Management, and Budget
320 S. WALNUT ST., LANSING, MICHIGAN 48933
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **1**
to
Contract Number **210000000669**

CONTRACTOR	Student Connections
	640 Castleway Ct
	Indianapolis, IN 46250
	Steve Queisser
	317-806-0215
	stephen.queisser@studentconnections.org
	VS0191236

STATE	Program Manager	Kara Scheeneman	TREA
		517-335-3031	
		Scheenemank@Michigan.gov	
	Contract Administrator	Susan Watt-Smith	DTMB
		517-230-0535	
		wattsmiths@michigan.gov	

CONTRACT SUMMARY							
MIDEAL ONLY STUDENT LOAN DEFAULT PREVENTION MANAGEMENT SERVICES							
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE				
April 1, 2021	March 31, 2028	3 - 1 Year	March 31, 2028				
PAYMENT TERMS		DELIVERY TIMEFRAME					
		N/A					
ALTERNATE PAYMENT OPTIONS				EXTENDED PURCHASING			
<input type="checkbox"/> P-Card	<input type="checkbox"/> PRC	<input type="checkbox"/> Other		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
MINIMUM DELIVERY REQUIREMENTS							
N/A							
DESCRIPTION OF CHANGE NOTICE							
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE			
<input type="checkbox"/>		<input type="checkbox"/>		March 31, 2028			
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE					
\$0.00	\$0.00	\$0.00					
DESCRIPTION							
Effective March 30, 2023, please note the Contract Administrator has been changed to Susan Watt-Smith, 517-230-0535, WattSmithS@michigan.gov.							
All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Central Procurement approval.							



STATE OF MICHIGAN PROCUREMENT
 Department of Technology, Management, & Budget –
 Central Procurement Services
 525 W Allegan St, Lansing, MI 48933
 P.O. Box 30026, Lansing, MI 48909

NOTICE OF CONTRACT

NOTICE OF CONTRACT NO. 210000000669
 between
 THE STATE OF MICHIGAN
 and

CONTRACTOR	Student Connections, LLC
	640 Castleway Ct
	Indianapolis, IN 46250
	Steve Queisser
	317-806-0215
	Stephen.queisser@studentconnections.org
	VS0191236

STATE	Program Manager	Kara Scheeneman	TREAS
		517-335-3031	
		scheenemank@michigan.gov	
	Contract Administrator	Joy Nakfoor	DTMB
		517-249-0481	
		nakfoorj@michigan.gov	

CONTRACT SUMMARY			
DESCRIPTION: MiDEAL Only Student Loan Default Prevention Management Services			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
April 1, 2021	March 31, 2028	3 – 1 year	
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45, 2% Net 10		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Payment Request (PRC) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			
MISCELLANEOUS INFORMATION			
THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of the State's inquiry bearing the solicitation #210000000940. This is a \$0.00 contract for the State and to be used by MiDEAL higher education institutions only. Orders for delivery will be determined and issued directly by each participating MiDEAL School.			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			\$0.00

FOR THE CONTRACTOR:

Company Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Name & Title

Agency

Date

STANDARD CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and Student Connections, LLC (“**Contractor**”), a Texas limited liability corporation. This Contract is intended for MiDEAL members only, therefore the use of “State” is in reference to MiDEAL member users. This Contract is effective on April 1, 2021 (“**Effective Date**”), and unless terminated, expires on March 31, 2028.

This Contract may be renewed for up to three (3) additional one (1) year period(s). Renewal is at the sole discretion of the State and will automatically extend the Term of this Contract. The State will document its exercise of renewal options via Contract Change Notice.

1. Definitions. For the purposes of this Contract, the following terms have the following meanings:

“**Accept**” has the meaning set forth in **Section 20**.

“**Acceptance**” has the meaning set forth in **Section 20**.

“**Affiliate**” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. For purposes of this definition, the term “control” (including the terms “controlled by” and “under common control with”) means the direct or indirect ownership of more than fifty percent (50%) of the voting securities of a Person.

“**Allegedly Infringing Materials**” has the meaning set forth in **Section 33**.

“**Business Day**” means a day other than a Saturday, Sunday or other day on which the State is authorized or required by Law to be closed for business.

“**Business Owner**” is the individual appointed by the agency buyer to (a) act as the agency’s representative in all matters relating to the Contract, and (b) co-sign off on notice of Acceptance. The Business Owner will be identified in the Statement of Work.

“Change” has the meaning set forth in **Section 5**.

“Change Notice” has the meaning set forth in **Section 5**.

“Change Proposal” has the meaning set forth in **Section 5**.

“Change Request” has the meaning set forth in **Section 5**.

“Confidential Information” has the meaning set forth in **Section 38.a**.

STANDARD CONTRACT TERMS

“Configuration” means State-specific changes made to the Software without Source Code or structural data model changes occurring.

“Contract” has the meaning set forth in the preamble.

“Contract Activities” refers to the Services, Deliverables, delivery of commodities, or other contractual requirements set forth in **Schedule A – Statement of Work**, including any subsequent Statement(s) of Work, that the Contractor agrees to provide and the State agrees to purchase pursuant to the terms of this Contract.

“Contract Administrator” is the individual appointed by each party to (a) administer the terms of this Contract, and (b) approve any Change Notices under this Contract. Each party’s Contract Administrator will be identified in the Statement of Work.

“Contractor” has the meaning set forth in the preamble.

“Contractor’s Bid Response” means the Contractor’s proposal submitted in response to the State’s requests to obtain Contract Activities.

“Contractor Personnel” means all employees of Contractor or any Permitted Subcontractors involved in the performance of Services hereunder.

“Deliverables” means all materials, including, but not limited to Software, Documentation, written materials and commodities, that Contractor is required to or otherwise does provide to the State under this Contract and otherwise in connection with any Services, including all items specifically identified as Deliverables in **Schedule A - Statement of Work**.

“Dispute Resolution Procedure” has the meaning set forth in **Section 55**.

“Documentation” means all generally available documentation relating to the Software, including all user manuals, operating manuals and other instructions, specifications, documents and materials, in any form or media, that describe any component, feature, requirement or other aspect of the Software or Hosted Services (as defined in **Schedule D**), including any functionality, testing, operation or use thereof.

“DTMB” means the Michigan Department of Technology, Management and Budget.

STANDARD CONTRACT TERMS

“Effective Date” has the meaning set forth in the preamble.

“Fees” means collectively all fees collected by the Contractor pursuant to the terms of this Contract.

“Financial Audit Period” has the meaning set forth in **Section 42**.

“Force Majeure” has the meaning set forth in **Section 54**.

“HIPAA” has the meaning set forth in **Section 47**.

“Intellectual Property Rights” means all or any of the following: (a) patents, patent disclosures, and inventions (whether patentable or not); (b) trademarks, service marks, trade dress, trade names, logos, corporate names, and domain names, together with all of the associated goodwill; (c) copyrights and copyrightable works (including computer programs), mask works and rights in data and databases; (d) trade secrets, know-how and other confidential information; and (e) all other intellectual property rights, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection provided by applicable Law in any jurisdiction throughout the world.

“Key Personnel” means any Contractor Personnel identified as key personnel in **Schedule A – Statement of Work**.

“Law” means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree or other requirement or rule of any federal, state, local or foreign government or political subdivision thereof, or any arbitrator, court or tribunal of competent jurisdiction.

“Loss or Losses” means all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the costs of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.

“Maintenance Release” means any update, upgrade, release or other adaptation or modification of the Software, including any updated Documentation, that Contractor may generally provide to its licensees from time to time during the Term, which may contain, among other things, error corrections, enhancements,

STANDARD CONTRACT TERMS

improvements or other changes to the user interface, functionality, compatibility, capabilities, performance, efficiency or quality of the Software.

“New Version” means any new version of the Software that the Contractor may from time to time introduce and market generally as a distinct licensed product, as may be indicated by Contractor's designation of a new version number.

“Permitted Subcontractor” has the meaning set forth in **Section 13**.

“Person” means an individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association or other entity.

“Pricing” means any and all fees, rates and prices payable under this Contract, including pursuant to any Schedule or Exhibit hereto.

“Pricing Schedule” means the schedule attached as **Schedule B**, setting forth the Fees, rates and Pricing payable under this Contract.

“Program Manager” is the individual appointed by each party to (a) monitor and coordinate the day-to-day activities of this Contract, and (b) for the State, to co-sign off on its notice of Acceptance of the Deliverables. Each party's Program Manager will be identified in the Statement of Work.

“Representatives” means a party's employees, officers, directors, partners, shareholders, agents, attorneys, successors and permitted assigns.

“RFP” means the State's request designed to solicit responses for Contract Activities under this Contract.

“Software” means Contractor's software set forth in the Statement of Work, and any Maintenance Releases or New Versions provided to the State and any Configurations made by or for the State pursuant to this Contract, and all copies of the foregoing permitted under this Contract and the License Agreement.

“Services” means any of the services Contractor is required to or otherwise does provide under this Contract, **Schedule A** - Statement of Work, **Schedule C** - Software Terms for On-site Hosting (if applicable), and **Schedule E** – Contractor Hosted Software and Services (if applicable).

STANDARD CONTRACT TERMS

“Source Code” means the human readable source code of the Software to which it relates, in the programming language in which the Software was written, together with all related flow charts and technical documentation, including a description of the procedure for generating object code, all of a level sufficient to enable a programmer reasonably fluent in such programming language to understand, build, operate, support, maintain and develop modifications, upgrades, updates, adaptations, enhancements, new versions and other derivative works and improvements of, and to develop computer programs compatible with, the Software.

“Site” means the physical location designated by the State in, or in accordance with, this Contract or the Statement of Work for delivery or installation of the Contract Activities.

“State” means the State of Michigan.

“State Data” has the meaning set forth in **Section 37.a**.

“State Materials” means all materials and information, including equipment, documents, data, know-how, ideas, methodologies, specifications, software, content and technology, in any form or media, directly or indirectly provided or made available to Contractor by or on behalf of the State in connection with this Contract.

“Statement of Work” means any statement of work entered into by the parties and attached as a schedule to this Contract. The initial Statement of Work is attached as **Schedule A**, and subsequent Statements of Work shall be sequentially identified and attached as Schedules A-1, A-2, A-3, etc.

“Stop Work Order” has the meaning set forth in **Section 27**.

“Term” has the meaning set forth in the preamble.

“Third Party” means any Person other than the State or Contractor.

“Transition Period” has the meaning set forth in **Section 31**.

“Transition Responsibilities” has the meaning set forth in **Section 31**.

“Unauthorized Removal” has the meaning set forth in **Section 15**.

“Unauthorized Removal Credit” has the meaning set forth in **Section 15**.

STANDARD CONTRACT TERMS

“Warranty Period” means the period set forth in Schedule A, the Statement of Work, commencing on the date of acceptance of all Deliverables purchased pursuant to the terms of this Contract.

“Work Product” means all State-specific deliverables that Contractor is required to, or otherwise does, provide to the State under this Contract including but not limited to written materials, computer scripts, software configuration, software customization, APIs, macros, user interfaces, reports, project management documents, forms, templates, and other State-specific documents and related materials together with all ideas, concepts, processes, and methodologies developed in connection with this Contract whether or not embodied in this Contract. Work Product does not include software.

2. **Duties of Contractor.** Contractor must perform the Services and provide the Deliverables described in **Schedule A – Statement of Work**. An obligation to provide delivery of any commodity is considered a service and is a Contract Activity.

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

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

3. **Statement(s) of Work.** Contractor shall provide the Contract Activities pursuant to Statements of Work entered into under this Contract. No Statement of Work shall be effective unless signed by each party's Contract Administrator. The term of each Statement of Work shall commence on the parties' full execution of the Statement of Work and terminate when the parties have fully performed their obligations. The terms and conditions of this Contract will apply at all times to any Statements of Work entered into by the parties and attached as a schedule to this Contract. The State shall have the right to terminate such Statement of Work as set forth in **Sections 25 and 26**. Contractor acknowledges that time is of the essence with respect to Contractor's obligations under each Statement of Work and agrees that prompt and timely performance of all such obligations in accordance with this Contract and the Statements of Work is strictly required.
4. **Statement of Work Requirements.** Each Statement of Work may include the following: (a) names and contact information for Contractor's Contract Administrator, Program Manager and Key Personnel; (b) names and contact information for the State's Contract Administrator, Program Manager and Business Owner; (c) a detailed description of the Services to be provided under this Contract, including any training obligations of Contractor; (d) a detailed description of the Deliverables to be provided

STANDARD CONTRACT TERMS

under this Contract; (e) a description of all liquidated damages associated with this Contract, if any; and (f) a detailed description of all State Resources, if any, required to complete the Implementation Plan, if such a Plan is necessary.

5. **Change Control Process.** The State may at any time request in writing (each, a "Change Request") changes to the Statement of Work, including changes to the Contract Activities (each, a "Change"). Upon the State's submission of a Change Request, the parties will evaluate and implement all Changes in accordance with this **Section 5**. No Change will be effective until the parties have executed a Change Notice. Except as the State may request in its Change Request or otherwise in writing, Contractor must continue to perform its obligations in accordance with the Statement of Work pending negotiation and execution of a Change Notice. Contractor will use its best efforts to limit any delays or Fee increases from any Change to those necessary to perform the Change in accordance with the applicable Change Notice. Contractor may, on its own initiative and at its own expense, prepare and submit its own Change Request to the State. However, the State will be under no obligation to approve or otherwise respond to a Change Request initiated by Contractor.
6. **Notices.** All notices and other communications required or permitted under this Contract must be in writing and will be considered given and received: (a) when verified by written receipt if sent by courier; (b) when actually received if sent by mail without verification of receipt; or (c) when verified by automated receipt or electronic logs if sent by facsimile or email.

If to State:	If to Contractor:
Joy Nakfoor 525 W Allegan St Lansing, MI 48933 nakfoorj@michigan.gov 517-249-0481	Stephen A. Queisser 6405 Castleway Ct Indianapolis, IN 46250 Stephen.queisser@studentconnections.org (317) 806-0215

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

Insurance Requirements. Contractor, at its sole expense, must maintain the insurance coverage identified below. All required insurance must: (i) protect the State from claims that arise out of, are alleged to arise out of, or otherwise result from Contractor's or subcontractor's performance; (ii) be primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State; and (iii) be provided by a company with an A.M. Best rating of "A-" or better, and a financial size of VII or better.

STANDARD CONTRACT TERMS

Required Limits	Additional Requirements
Commercial General Liability Insurance	
<u>Minimum Limits:</u> \$1,000,000 Each Occurrence \$1,000,000 Personal & Advertising Injury \$2,000,000 Products/Completed Operations \$2,000,000 General Aggregate	Policy must be endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds using endorsement CG 20 10 11 85, or both CG 20 10 12 19 and CG 20 37 12 19.
Automobile Liability Insurance	
<u>Minimum Limits:</u> If a motor vehicle is used in the performance of the Contract, Contractor must maintain motor vehicle liability coverage for bodily injury and property damage, as required by law.	
Workers' Compensation Insurance	
<u>Minimum Limits:</u> Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
Employers Liability Insurance	
<u>Minimum Limits:</u> \$500,000 Each Accident \$500,000 Each Employee by Disease \$500,000 Aggregate Disease.	
Privacy and Security Liability (Cyber Liability) Insurance	
<u>Minimum Limits:</u> \$1,000,000 Each Occurrence \$1,000,000 Annual Aggregate	Policy must cover information security and privacy liability, privacy notification costs, regulatory defense and penalties, and website media content liability.

If any required policies provide claims-made coverage, the Contractor must: (i) provide coverage with a retroactive date before the Effective Date of the Contract or the beginning of Contract Activities; (ii) maintain coverage and provide evidence of coverage for at least three (3) years after completion of the Contract Activities; and

STANDARD CONTRACT TERMS

(iii) if coverage is cancelled or not renewed, and not replaced with another claims-made policy form with a retroactive date prior to the Effective Date of this Contract, Contractor must purchase extended reporting coverage for a minimum of three (3) years after completion of work.

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

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

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

Department of Technology, Management and Budget
Cashiering
P.O. Box 30681
Lansing, MI 48909

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

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

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

STANDARD CONTRACT TERMS

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

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

10. Independent Contractor. Contractor is an independent contractor and assumes all rights, obligations and liabilities set forth in this Contract. Contractor, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Contract. Contractor, and not the State, is responsible for the payment of wages, benefits and taxes of Contractor's employees and any subcontractors. Prior performance does not modify Contractor's status as an independent contractor.

11. Intellectual Property Rights. Contractor hereby acknowledges that the State is and will be the sole and exclusive owner of all right, title, and interest in the Work Product produced as part of the Contract Activities, and all associated intellectual property rights, if any. In general, Work Product constitutes works made for hire as defined in Section 101 of the Copyright Act of 1976. To the extent any Work Product, and related intellectual property do not qualify as works made for hire under the Copyright Act, Contractor will, and hereby does, immediately on its creation, assign, transfer and otherwise convey to the State, irrevocably and in perpetuity, throughout the universe, all right, title and interest in and to the Work Product, including all intellectual property rights therein. Contractor also irrevocably waives any and all claims Contractor may have now or hereafter have in any jurisdiction to so called "moral rights" or rights of *droit moral* with respect to the Work Product. If Contract Activities includes the purchase or use of software, such purchase, use, or access to Software shall be subject to user agreement with Contractor.

12. Subcontracting. Contractor will not, without the prior written approval of the State, which consent may be given or withheld in the State's sole discretion, engage any Third Party to perform Services. The State's approval of any such Third Party (each approved Third Party, a "**Permitted Subcontractor**") does not relieve Contractor of its representations, warranties or obligations under this Contract. Without limiting the foregoing, Contractor will: (a) be responsible and liable for the acts and omissions of each such Permitted Subcontractor (including such Permitted Subcontractor's employees who, to the extent providing Services or Deliverables, shall be deemed Contractor Personnel) to the same extent as if such acts or omissions were by Contractor or its employees; (b) name the State a third party beneficiary under Contractor's Contract with each Permitted Subcontractor with respect to the Services; (c) be responsible for all fees and expenses payable to, by or on behalf of each Permitted Subcontractor in connection with this Contract, including, if applicable, withholding of income taxes, and the payment and withholding of social security and

STANDARD CONTRACT TERMS

other payroll taxes, unemployment insurance, workers' compensation insurance payments and disability benefits; and (d) notify the State of the location of the Permitted Subcontractor and indicate if it is located within the continental United States.

13. Staffing. Contractor is solely responsible for all Contractor Personnel and for the payment of their compensation, including, if applicable, withholding of income taxes, and the payment and withholding of social security and other payroll taxes, unemployment insurance, workers' compensation insurance payments and disability benefits. The State's Contract Administrator may require Contractor to remove or reassign personnel by providing a notice to Contractor.

14. Key Personnel. If, in the sole discretion of the State, Key Personnel are required to complete the Contract Activities, such Key Personnel shall be identified in **Schedule A - Statement of Work**. The State has the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, introduce the individual to the State's Program Manager, and provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection.

Contractor will not remove any Key Personnel from their assigned roles on this Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("**Unauthorized Removal**"). An Unauthorized Removal does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel's employment. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to terminate this Contract for cause under Section 28.

It is further acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of this Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 28**, Contractor will issue to the State an amount set forth in **Schedule A – Statement of Work** (each, an "**Unauthorized Removal Credit**").

STANDARD CONTRACT TERMS

15. Background Checks. Pursuant to Michigan law, all agencies subject to IRS Pub. 1075 are required to ask the Michigan State Police to perform fingerprint background checks on all employees, including Contractor and Subcontractor employees, who may have access to any database of information maintained by the federal government that contains confidential or personal information, including, but not limited to, federal tax information. Further, pursuant to Michigan law, any agency described above is prohibited from providing Contractors or Subcontractors with the result of such background check. For more information, please see Michigan Public Act 427 of 2018. Upon request, Contractor must perform background checks on all employees and subcontractors and its employees prior to their assignment. The scope is at the discretion of the State and documentation must be provided as requested. Contractor is responsible for all costs associated with the requested background checks. The State, in its sole discretion, may also perform background checks.

16. Assignment. Contractor may not assign this Contract to any other party without the prior approval of the State. Upon notice to Contractor, the State, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Contract to any other party. If the State determines that a novation of the Contract to a third party is necessary, Contractor will agree to the novation and provide all necessary documentation and signatures.

17. Change of Control. Contractor will notify within 30 days of any public announcement, or otherwise once legally permitted to do so, the State of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the following: (a) a sale of more than 50% of Contractor's stock; (b) a sale of substantially all of Contractor's assets; (c) a change in a majority of Contractor's board members; (d) consummation of a merger or consolidation of Contractor with any other entity; (e) a change in ownership through a transaction or series of transactions; (f) or the board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.

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

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

19. Acceptance. Contract Activities are subject to inspection and testing by the State within 30 calendar days of the State's receipt of them ("**State Review Period**"), unless otherwise provided in Schedule A. If the Contract Activities are not fully accepted by the State, the State will notify Contractor by the end of the State Review Period that either: (a) the Contract Activities are accepted, but noted deficiencies must be corrected; or (b) the Contract Activities are rejected. If the State finds material

STANDARD CONTRACT TERMS

deficiencies, it may: (i) reject the Contract Activities without performing any further inspections; (ii) demand performance at no additional cost; or (iii) terminate this Contract in accordance with **Section 27**, Termination for Cause.

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

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

20. Reserved.

21. Reserved.

22. Reserved.

23. Terms of Payment. Invoices must conform to the requirements communicated from time-to-time by the State. All undisputed amounts are payable within 45 days of the State's receipt. Contractor may only charge for Contract Activities performed as specified in **Schedule A**. Invoices must include an itemized statement of all charges. The State is exempt from State sales tax for direct purchases and may be exempt from federal excise tax, if Services purchased under this Agreement are for the State's exclusive use. All prices are exclusive of taxes, and Contractor is responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by the State under this Contract.

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

STANDARD CONTRACT TERMS

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

- 24. Payment Disputes.** The State may withhold from payment any and all payments and amounts the State disputes in good faith, pending resolution of such dispute, provided that the State: (a) timely renders all payments and amounts that are not in dispute; notifies Contractor of the dispute prior to the due date for payment, specifying in such notice: (i) the amount in dispute; and (ii) the reason for the dispute set out in sufficient detail to facilitate investigation by Contractor and resolution by the parties; (b) works with Contractor in good faith to resolve the dispute promptly; and (c) promptly pays any amount determined to be payable by resolution of the dispute.

Contractor shall not withhold any Contract Activities or fail to perform any obligation hereunder by reason of the State's good faith withholding of any payment or amount in accordance with this **Section 25** or any dispute arising therefrom.

- 25. Liquidated Damages.** Liquidated damages, if applicable, will be assessed as described in **Schedule A**. Amounts due the State as liquidated damages may be set off against any Fees payable to Contractor under this Contract, or the State may bill Contractor as a separate item and Contractor will promptly make payments on such bills.

- 26. Stop Work Order.** The State may suspend any or all activities under the Contract at any time. The State will provide Contractor a written stop work order detailing the suspension. Contractor must comply with the stop work order upon receipt. Within 90 calendar days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate the Contract or delivery order. The State will not pay for Contract Activities, Contractor's lost profits, or any additional compensation during a stop work period.

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

STANDARD CONTRACT TERMS

If the State terminates this Contract under this Section, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Contractor was not in breach of the Contract, the termination will be deemed to have been a Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in **Section 29**, Termination for Convenience.

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

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

29. Effect of Termination. Upon and after the termination or expiration of this Contract or one or more Statements of Work for any or no reason: (a) Contractor will be obligated to perform all Transition Responsibilities specified in **Section 31**; (b) all licenses granted to Contractor in State Data will immediately and automatically also terminate. Contractor must promptly return to the State all State Data not required by Contractor for its Transition Responsibilities, if any; (c) Contractor will: (i) return to the State all documents and tangible materials (and any copies) containing, reflecting, incorporating, or based on the State's Confidential Information; (ii) permanently erase the State's Confidential Information from its computer systems; and (iii) certify in writing to the State that it has complied with the requirements of this **Section 30** in each case to the extent such materials are not required by Contractor for Transition Responsibilities, if any.

30. Transition Responsibilities. Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 90 calendar days, "**Transition Period**"), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract

STANDARD CONTRACT TERMS

Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.

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

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

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

Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. An attorney

STANDARD CONTRACT TERMS

designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

- 32. Infringement Remedies.** If, in either party's opinion, any piece of equipment, software, commodity, or service supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment, software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.
- 33. Limitation of Liability and Disclaimer of Damages.** THE STATE WILL NOT BE LIABLE, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT, OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS AND LOST BUSINESS OPPORTUNITIES. IN NO EVENT WILL THE STATE'S AGGREGATE LIABILITY TO CONTRACTOR UNDER THIS CONTRACT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT, EXCEED THE MAXIMUM AMOUNT OF FEES PAYABLE UNDER THIS CONTRACT.
- 34. Disclosure of Litigation, or Other Proceeding.** Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor, that arises during the term of the Contract, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or (2) a governmental or public entity's claim or written allegation of fraud; or (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract.
- 35. Reserved.**
- 36. State Data.** If the Contract Activities includes the hosting of State Data with Contractor or Permitted Subcontractors, Contractor must also comply with **any data security requirements** of the agreed upon Contract with MiDEAL member.

STANDARD CONTRACT TERMS

- a. Ownership. The State's data ("**State Data**," which will be treated by Contractor as Confidential Information) includes: (a) the State's data collected, used, processed, stored, or generated as the result of the Contract Activities; (b) personally identifiable information ("**PII**") collected, used, processed, stored, or generated as the result of the Contract Activities, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements here listed; and, (c) personal health information ("**PHI**") collected, used, processed, stored, or generated as the result of the Contract Activities, which is defined under the Health Insurance Portability and Accountability Act (HIPAA) and its related rules and regulations. State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State. This Section survives the termination of this Contract.
- b. Contractor Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Contract Activities, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Contract Activities. Contractor must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Contract Activities, such use and disclosure being in accordance with this Contract, any applicable Statement of Work, and applicable law; and (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor's own purposes or for the benefit of anyone other than the State without the State's prior written consent. This Section survives the termination of this Contract.
- c. Extraction of State Data. Contractor must, within five (5) business days of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Contractor), an extract of the State Data in the format specified by the State.
- d. Backup and Recovery of State Data. Unless otherwise specified in Schedule A, Contractor is responsible for maintaining a backup of State Data and for an orderly and timely recovery of such data. Unless otherwise described in Schedule A, Contractor must maintain a contemporaneous backup of State Data that can be recovered within two (2) hours at any point in time.

STANDARD CONTRACT TERMS

- e. Loss or Compromise of Data. In the event of any act, error or omission, negligence, misconduct, or breach on the part of Contractor that compromises or is suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor must, as applicable: (a) notify the State as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State; (c) in the case of PII or PHI, at the State's sole election, (i) with approval and assistance from the State, notify the affected individuals who comprise the PII or PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within five (5) calendar days of the occurrence; or (ii) reimburse the State for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twenty-four (24) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) pay for any costs associated with the occurrence, including but not limited to any costs incurred by the State in investigating and resolving the occurrence, including reasonable attorney's fees associated with such investigation and resolution; (g) without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence; (h) be responsible for recreating lost State Data in the manner and on the schedule set by the State without charge to the State; and (i) provide to the State a detailed plan within ten (10) calendar days of the occurrence describing the measures Contractor will undertake to prevent a future occurrence. Notification to affected individuals, as described above, must comply with applicable law, be written in plain language, not be tangentially used for any solicitation purposes, and contain, at a minimum: name and contact information of Contractor's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Contractor has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Contractor. The State will have the option to review and approve any notification sent to affected

STANDARD CONTRACT TERMS

individuals prior to its delivery. Notification to any other party, including but not limited to public media outlets, must be reviewed and approved by the State in writing prior to its dissemination. The parties agree that any damages relating to a breach of this **Section 37** are to be considered direct damages and not consequential damages. This section survives termination or expiration of this Contract.

- f. State's Governance, Risk and Compliance (GRC) platform, if applicable. If the Contract Activities includes the purchase, use, or access to software, Contractor is required to assist the State with its security accreditation process through the development, completion and ongoing updating of a system security plan using the State's automated GRC platform, and implement any required safeguards or remediate any security vulnerabilities as identified by the results of the security accreditation process.
- g. Compliance with IRS Pub 1075. If the Contract Activities includes access to, or the hosting of, any tax information, Contractor must also comply with the applicable requirements of IRS Publication 1075, **Schedule G – Exhibit 7 Safeguarding Contract Language** and **Schedule H – Safeguard Requirements of Confidential Tax Data.**

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

- a. Meaning of Confidential Information. For the purposes of this Contract, the term “**Confidential Information**” means all information and documentation of a party that: (a) has been marked “confidential” or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked “confidential” or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked “confidential” or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term “Confidential Information” does not include any information or documentation that was: (a) subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party's proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). For purposes of this Contract, in all cases and for all matters, State Data is deemed to be Confidential Information.

STANDARD CONTRACT TERMS

- b. Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to a subcontractor is permissible where: (a) use of a subcontractor is authorized under this Contract; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the subcontractor's responsibilities; and (c) Contractor obligates the subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor or any subcontractor may be required to execute a separate agreement to be bound by the provisions of this Section.
- c. Cooperation to Prevent Disclosure of Confidential Information. Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.
- d. Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Contract or any Statement of Work corresponding to the breach or threatened breach.
- e. Surrender of Confidential Information upon Termination. Upon termination of this Contract or a Statement of Work, in whole or in part, each party must, within 5 calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Contract. Should Contractor or the State determine that the return of any Confidential Information is not feasible, such party must destroy the

STANDARD CONTRACT TERMS

Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party. However, the State's legal ability to destroy Contractor data may be restricted by its retention and disposal schedule, in which case Contractor's Confidential Information will be destroyed after the retention period expires.

38. Data Privacy and Information Security.

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

STANDARD CONTRACT TERMS

without limitation and without liability if the State determines that Contractor fails or has failed to meet its obligations under this Section.

39. Reserved.

40. Reserved.

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

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

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

42. Warranties and Representations. Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) Contractor will perform the Contract Activities in a timely, professional, safe, and workmanlike manner consistent with standards in the trade, profession, or industry; (c) Contractor will meet or exceed the performance and operational standards, and specifications of the Contract; (d) Contractor will provide all Contract Activities in good quality, with no material defects; (d) Contractor will not interfere with the State's operations; (e) all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (f) the Contract Activities will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (g) Contractor must assign or otherwise transfer to the State or its designee any manufacturer's warranty for the Contract Activities; (h) the Contract Activities are merchantable and fit for the specific purposes identified in the Contract; (g) the Contract signatory has the authority to enter into this Contract; (h) all information furnished by Contractor in connection with the Contract

STANDARD CONTRACT TERMS

fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information, and Contractor will inform the State of any material adverse changes; (i) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading; and that (j) Contractor is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under **Section 27, Termination for Cause.**

- 43. Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.
- 44. Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations.
- 45. ADA Compliance.** The State is required to comply with the Americans with Disabilities Act of 1990 (ADA), and has adopted a formal policy regarding accessibility requirements for websites and software applications. Contractor's Service Software must comply, where relevant, with level AA of the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG) 2.0.
- 46. Reserved.**
- 47. Reserved.**
- 48. Reserved.**
- 49. Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, and [Executive Directive 2019-09](#). Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex (as defined in Executive Directive 2019-09), height, weight, marital status, partisan considerations, any mental or physical disability, or genetic

STANDARD CONTRACT TERMS

information that is unrelated to the person's ability to perform the duties of a particular job or position. Breach of this covenant is a material breach of this Contract.

- 50. Unfair Labor Practice.** Under MCL 423.324, the State may void any Contract with a Contractor or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.
- 51. Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in Michigan Court of Claims. Contractor consents to venue in Ingham County, and waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint agents in Michigan to receive service of process.
- 52. Non-Exclusivity.** Nothing contained in this Contract is intended nor will be construed as creating any requirements contract with Contractor. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Contract Activities from other sources.
- 53. Force Majeure.** Neither party will be in breach of this Contract because of any failure arising from any disaster or acts of god that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Contractor will not be relieved of a breach or delay caused by its subcontractors. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.
- 54. Dispute Resolution.** The parties will endeavor to resolve any Contract dispute in accordance with this provision. The dispute will be referred to the parties' respective Contract Administrators or Program Managers. Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute to a senior executive if unable to resolve the dispute within 15 business days. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.

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

STANDARD CONTRACT TERMS

- 55. Media Releases.** News releases (including promotional literature and commercial advertisements) pertaining to the Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions of the State.
- 56. Website Incorporation.** The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.
- 57. Schedules.** All Schedules and Exhibits that are referenced herein and attached hereto are hereby incorporated by reference. The following Schedules are attached hereto and incorporated herein:

Schedule A	Statement of Work
Schedule B	Pricing and Fees
Schedule C (as applicable)	Removed
Schedule D (as applicable)	Removed
Schedule E (as applicable)	Removed
Exhibit 1 to Schedule E (as applicable)	Removed
Schedule F (as applicable)	Removed
Exhibit 1 to Schedule F (as applicable)	Removed
Schedule G (as applicable)	Removed
Schedule H (as applicable)	Removed
Schedule I (as applicable)	Removed
Exhibit 1	Security Requirements - Version 6.1
Exhibit 2	Form 4621, What is an Incident? (Brochure)

- 58. Entire Agreement and Order of Precedence.** This Contract, which includes Schedule A – Statement of Work, and schedules and exhibits which are hereby expressly incorporated, is the entire agreement of the parties related to the Contract Activities. This Contract supersedes and replaces all previous understandings and

STANDARD CONTRACT TERMS

agreements between the parties for the Contract Activities. If there is a conflict between documents, the order of precedence is: (a) first, this Contract, excluding its schedules, exhibits, and Schedule A – Statement of Work; (b) second, Schedule A – Statement of Work as of the Effective Date; and (c) third, schedules expressly incorporated into this Contract as of the Effective Date. NO TERMS ON CONTRACTOR'S INVOICES, ORDERING DOCUMENTS, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE CONTRACT ACTIVITIES WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE OR ITS AUTHORIZED USERS FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE, EVEN IF ACCESS TO OR USE OF THE CONTRACT ACTIVITIES REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.

- 59. Severability.** If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.
- 60. Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
- 61. Survival.** The provisions of this Contract that impose continuing obligations, including warranties and representations, termination, transition, insurance coverage, indemnification, and confidentiality, will survive the expiration or termination of this Contract.

SCHEDULE A – STATEMENT OF WORK

CONTRACT ACTIVITIES

BACKGROUND

This is a Contract for Student Loan Default Prevention Management Services for non-profit colleges and universities (Schools) in Michigan. Established in 2016, as a service to schools who were struggling with their cohort default rate, these services and solutions for Schools are to assist students in borrowing responsibly and maintaining good standing in the repayment of their student loans. Nine (9) MiDEAL member Schools currently participate with eight (8) using Repayment Counseling Outreach (RCO), Grace Counseling Outreach (GCO), and Financial Literacy Programs (FAVE) and one (1) School using ROC and Debt Letters. As of this posting, 27,704 courses have been completed in Financial Literacy, 55,562 borrowers utilized Repayment Counseling Outreach, and 66,920 borrowers utilized Grace Counseling Outreach.

SCOPE

This Contract will be extended to MiDEAL Members only. MiDEAL Members include local units of government, school districts, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is available at www.michigan.gov/mideal. Contractor must supply all Contract Activities at the established Contract prices and terms of the resulting Contract to any MiDEAL Member that leverages the Contract.

1. Requirements

1.1. General Requirements

- A. The Contractor must be able to provide Student Loan Default Prevention Management Services for Schools in Michigan.
- B. The Contractor must be able to provide default aversion services from the start of the grace period through default.
- C. The Contractor must provide Default Prevention Plan assistance to Schools.
- D. The Contractor must have the ability to work with participating Schools to target high priority student groups. The School must only be charged for the student groups it chooses to be worked/targeted.
- E. The Contractor must be able to access school files through the National Student Loan Data System (NSLDS).
- F. The Contractor must perform the following services as it pertains to the number and type of contacts made to borrowers during grace, repayment and delinquency.

1. Grace Counseling Outreach

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

- i. The School will select which student borrowers the Contractor will perform the Grace Outreach service to.
- ii. The Contractor will send an introductory email to borrowers with valid email addresses on behalf of the School; advising of upcoming calls and emails, encouraging participation.
- iii. The Contractor will make up to three (3) outbound telephone attempts to make contact with the borrower. The three (3) attempts will be made:
 - a. Within forty five (45) days of the date the Contractor is notified the student is less than half time *or*
 - b. Beginning at 90 days into the grace period as designated in the file
- iv. If the borrower is unavailable, a toll-free number may be provided for a return call.
- v. If necessary, the Contractor will employ skip tracing in an effort to locate the borrower.
- vi. The Contractor will send emails to borrowers with valid email addresses during the grace period at thirty (30), ninety (90), and one hundred and eighty (180) days.
- vii. All counseled and emailed borrowers will be provided with a toll-free number for future questions; providing a lifeline to a student loan expert.
- viii. Borrowers must be provided with access to the Contractor's Student Loan Repayment Overview website; providing detailed information on all repayment plans, useful links and helpful tips.
- ix. The Contractor will provide collateral to the School to assist with communicating service to student borrowers.
- x. Activity reports, are available online via the Contractor's website.

2. School Responsibilities: Grace Counseling Outreach

- i. The School is responsible for providing the Contractor with an electronic file of accounts via the Contractor's website.
- ii. This file should be sent no more than weekly on a schedule agreed upon by both the School and the Contractor.
- iii. The School will provide a contact name, telephone number, and email address for inclusion in the introductory email and for cases where a student wishes to speak with a school representative.

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

3. Repayment Outreach

The Contractor's trained counselors contact student borrowers who are delinquent on their student loans to assist the borrower in resolving the delinquency. The service provides education to motivate student borrowers to take the necessary action to resolve their delinquency. Resolving delinquency sets the stage for reducing or maintaining a healthy Cohort Default Rate.

- i. The Contractor will retrieve and upload the School's NSLDS (National Student Loan Data System) Delinquent Borrower Report (DELQ01) each week or on specific weeks as agreed upon by both the School and the Contractor.
- ii. The Contractor will load accounts within all active cohort years.
- iii. The Contractor will load accounts beginning with the most recent cohort year, and the prior cohort year. Additional cohort years will be added every October 1st.
- iv. Accounts that cannot default before the end of the active cohort years will not be loaded.
- v. The Contractor will make an unlimited number of outbound calls to the borrower in an attempt to resolve all delinquent account(s).
- vi. If the borrower is unavailable, a toll-free number may be provided for a return call.
- vii. The Contractor may send emails and/or letters to the borrower in an effort to resolve delinquency.
- viii. Once contact is made, the Contractor will attempt to facilitate a three-way call with the borrower and servicer to resolve delinquency.
- ix. If necessary, the Contractor will employ proprietary skip tracing in an effort to locate the borrower.
- x. For accounts that resolve and become delinquent again within 365 days of the original placement date, the Contractor will attempt to resolve the delinquency at no additional charge.
- xi. Performance reports are available online and are updated on a weekly basis.

4. School Responsibilities: Repayment Outreach (Outcome-Based)

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

- i. The School will set up at least two Contractor's staff members with the School's NSLDS SAIG mailbox with access to NSLDS Online Reporting (Default Services).
 - ii. The School will schedule the NSLDS Delinquent Borrower Report (DELQ01) to be automatically created and delivered to the Contractor/School SAIG mailbox weekly or on specific weeks as agreed upon by both School and the Contractor.
 - iii. The School is responsible for providing the Contractor with a weekly NSLDS Delinquent Borrower Report (DELQ01) via the Contractor's website or delivered to a Contractor/School mailbox.
 - iv. If FFELP loans are to be worked, the School is responsible for providing the Contractor with a weekly Contractor FFELP Delinquent Borrower Report.
 - v. The Contractor must coordinate with School to upload, or have delivered, the NSLDS weekly file by scheduled date and time.
- G. Contractor must provide skip-tracing services at no additional cost.
- H. The Contractor must have the ability to co-brand with any School which utilizes its services.
- I. At a minimum, a one (1) year Contract will be provided to all eligible Schools who wish to participate in the Program.
- J. The Contractor must provide a three-way call option with the Loan Servicer to help the student understand payment opportunities.
- K. If applicable, entrance and exit interviews which are performed by the Contractor must comply with all security requirements specified by the US Department of Education (ED).
- L. The Contractor must utilize fair debt collection practices as outlined by the ED.
- M. The Contractor must have the ability to service a large number of students.
- N. The Contractor shall connect with students through the use of technology.
- O. The Contractor shall provide financial literacy education materials, through the use of the Contractor's System, to students at no additional cost to the student if provided by their School.
- P. The Contractor must work with participating Schools to effectively transition default prevention services from an existing vendor.

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

- Q. The following Borrower Centric Approach services shall be provided to students, including, but not limited to:
1. Educate borrowers that payment is the best option and should be utilized first.
 2. Counselors must look for the option or options which help the borrower in both the long and short term.
 3. Providing Spanish speaking counselors.
 4. Forbearance or deferment will be used only when appropriate and will not be the first option considered.
 5. Unlimited telephone attempts shall be utilized until a borrower's delinquency is resolved or default occurs.
 6. Default aversion efforts must be performed through a combination of live dialing, email, and written correspondence.
 7. The Contractor's solution must utilize email as a general/informational contact supplement between scheduled letter correspondence, and for follow-up after other forms of contact have been made with delinquent borrowers. Other innovative ways to connect with borrowers are also encouraged.
 8. Three-way conference calling with the borrower and servicer must be utilized.
 9. Assist borrowers with the processing of deferments and forbearances.
- R. Each MiDEAL Member wishing to participate under this contract must sign an addendum to this contract with the Contractor. The purpose of the addendum is to incorporate school specific third-party servicing contract language required in the regulations at 34 C.F.R. § 668.25(c) and to appropriately report each school's contract to the Federal Student Aid's Thirty-part Servicer Oversight Unit at the U.S. Department of Education. For reporting purposes, the beginning of each School's contract will be the date the authorized School official signs the addendum. The addendum will also contain file layouts for the specific service(s) the school elects to utilize.
- S. Contractor will continue to remain compliant with the most recent State and Federal statutory and regulatory requirements and rules including National Institute of Standards and Technology (NIST) publications, FISMA security requirements, and all other industry specific standards and national security best practices.

1.2. Transition

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

If transition to a new vendor is necessary, Contractor will cooperate in transitioning any required information, which may include, but not be limited to default work already done for a current borrower, status of each borrower, loan number, PII, Name, Address, etc.

1.3. Training

The Contractor must provide onboarding/training to school staff, as required, on how to use its particular system(s) (reporting system, etc). Each School must be provided a link to a dedicated landing page, designed especially for the School. The landing page should provide detailed product information along with specifics on how to get started.

The Contractor must provide documentation and training materials, including In-School default management materials/resources at no additional cost.

The Contractor must explain its training capabilities and any training that is included in its proposal.

1.4. Specific Standards

MiDEAL members will provide/negotiate their own IT specific policies with Contractor.

SOM Digital Standards

All software items provided by the Contractor must adhere to the State of Michigan Application/Site Standards which can be found at www.michigan.gov/standards.

Mobile Responsiveness

The Contractor's Solution must utilize responsive design practices to ensure the application is accessible via a mobile device. Bidders must provide a list of all mobile devices that are compatible with the Solution. Additionally, Bidder must provide list of features that can be performed via a mobile device.

ADA Compliance

The State is required to comply with the Americans with Disabilities Act of 1990 (ADA), and has adopted a formal policy regarding accessibility requirements for websites and software applications. The State is requiring that Bidder's proposed Solution, where relevant, to level AA of the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG) 2.0. Bidder may consider, where relevant, the W3C's Guidance on Applying WCAG 2.0 to Non-Web Information and Communications Technologies (WCAG2ICT) for non-web software and content. The State may require that Bidder complete a Voluntary Product Accessibility Template for WCAG 2.0 (WCAG 2.0 VPAT) or other comparable document for the proposed Solution.

http://www.michigan.gov/documents/dmb/1650.00_209567_7.pdf?20151026134621

Bidder must acknowledge their agreement with this section and provide details for how they will meet the requirements.

1.5. User Type and Capacity

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

Type of User	Access Type	Number of Concurrent Users
School Administrators	All Access	20
Borrower	Single account access only	70,000

Contractor must be able to meet the expected number of concurrent Users. Bidder must explain how it will be able to support the expected number of concurrent Users. Bidder must also explain whether the Solution can scale up or down without affecting performance.

Bidder must provide details regarding latency response time for (i.e., Generate Page Load, standardized reporting, ad hoc reporting). The Bidder must identify what network connectivity or equipment the State/Schools will be required to have to meet the expected latency response time.

1.6. Software

The MiDEAL School will negotiate criteria to determine software requirements with Contractor.

1.7. Secure Web Application Standard

The MiDEAL School will negotiate criteria to determine software requirements with Contractor.

2. Service Requirements

2.1. Timeframes

Contractor must respond to any inquiry from a School regarding potential Contractor Services within one (1) week.

3. Acceptance

3.1. Acceptance, Inspection, and Testing

The MiDEAL School will negotiate criteria to determine acceptance of the Contract Activities with Contractor.

4. Staffing

4.1. Contractor Representative

The Contractor must appoint one (1) individual, specifically assigned to State of Michigan accounts, that will respond to State inquiries regarding the Contract Activities, answering questions related to ordering and delivery, etc. (the "Contractor Representative").

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

4.2. Contract Administrator

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

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

State:	Contractor:
Joy Nakfoor 525 W Allegan St Lansing, MI 48933 nakfoorj@michigan.gov 517-249-0481	Stephen A. Queisser 6405 Castleway Ct Indianapolis, IN 46250 Steve.queisser@studentconnections.org (317) 806-0215

4.3. Program Manager

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

State:	Contractor:
Kara Scheeneman 430 W Allegan St Lansing, MI 48915 scheenemank@michigan.gov 517-335-3031	Stephen A. Queisser 6405 Castleway Ct Indianapolis, IN 46250 Steve.queisser@studentconnections.org (317) 806-0215

4.4. Customer Service Toll-Free Number

The Contractor’s its toll-free number for the State and MiDEAL members to make contact with the Contractor Representative is (866) 311-9450. The Contractor Representative must be available for calls during the hours of 8 am to 5 pm EST.

- A. The Contractor must assign each School a designated representative. A designated representative may be assigned to multiple colleges.
- B. The Contractor’s call center’s days and hours of operation are Monday through Friday 7:00 a.m. to 9:00 p.m. and Saturday 8:00 a.m. to 4:30 p.m. Eastern Time.
- C. The Contractor must be willing to visit and promote their services to any interested Schools.

4.5. Technical Support, Repairs and Maintenance

The Contractor’s toll-free number for the State and MiDEAL members to make contact with the Contractor for technical support, repairs and maintenance is (866) 311-9450. The Contractor must be available for calls and service during the hours of 7 am to 9 pm EST.

When providing technical support, the Contractor must negotiate with School on the timeframe it will take the Call Center to resolve the caller’s issue within.

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

4.6. Work Hours

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

4.7. Key Personnel

The Contractor must appoint one (1) individual who will be directly responsible for the day-to-day operations of the Contract ("Key Personnel"). Key Personnel must be specifically assigned to the State account, be knowledgeable on the contractual requirements, and respond to State inquiries within 48 hours.

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

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

- i. For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the credit amount will be \$500.00 per individual if Contractor identifies a replacement approved by the State and assigns the replacement to shadow the Key Personnel who is leaving for a period of at least 30-calendar days before the Key Personnel's removal.

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

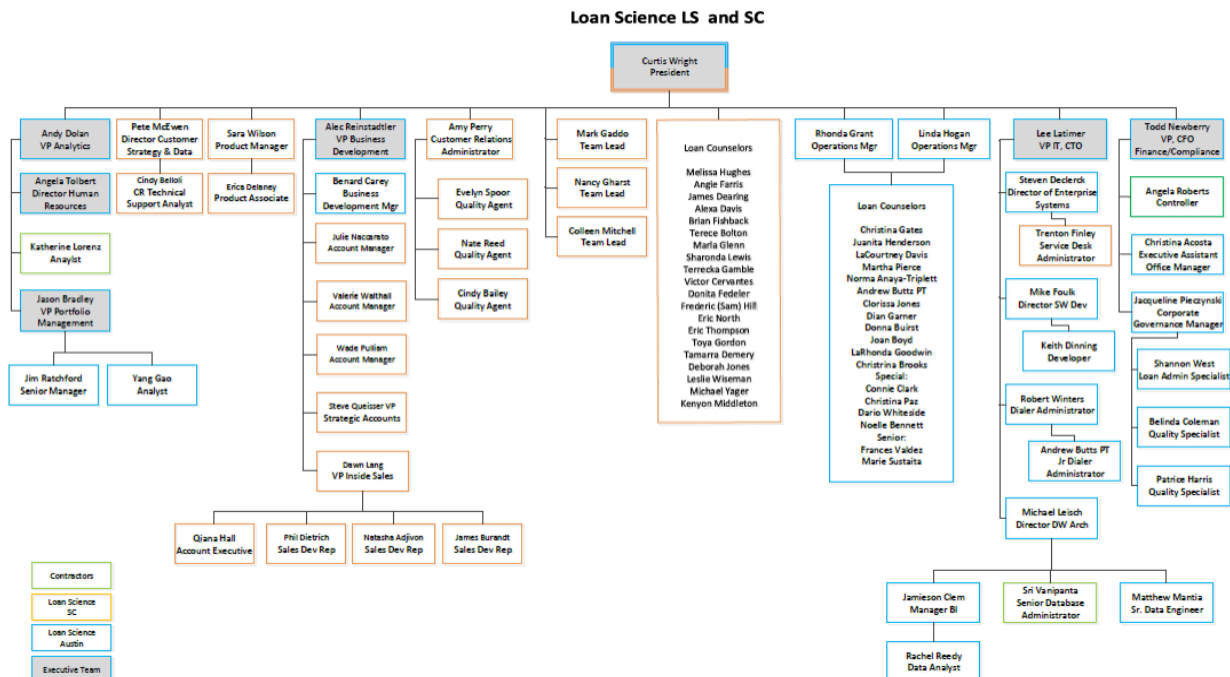
- ii. If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30-calendar days, in addition to the \$500.00 credit specified above, Contractor will credit the State \$16.67 per calendar day for each day of the 30-calendar day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$500.00 maximum per individual. The total Unauthorized Removal Credits that may be assessed per Unauthorized Removal and failure to provide 30-calendar days of shadowing will not exceed \$1,000.00 per individual.

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

Steve Queisser, VP Strategic Partnerships will be located out of Indianapolis, IN.

4.8. Organizational Chart

The Contractor must provide an overall organizational chart that details staff members, by name and title, and subcontractors.



4.9. Disclosure of Subcontractors

Subcontractors are not permitted on this Contract.

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

4.10. Security

The Contractor will be subject the security procedures provided in Exhibit 1 – Security Requirements and Exhibit 2 – Form 4621, What is an Incident? (Brochure). Any other security procedures must be negotiated with School.

The Contractor must explain any additional security measures in place to ensure the security of all data.

5. Project Management

5.1. Project Plan

The Contractor will carry out its project under the direction and control of the School Program Manager. Within 30 calendar days of the Effective Date, the Contractor must submit a project plan to the School Program Manager for final approval. The plan must include: (a) the Contractor's organizational chart with names and title of personnel assigned to the project, which must align with the staffing stated in accepted proposals; and (b) the project breakdown showing sub-projects, tasks, and resources required.

Contractor must provide a sample project plan to complete the requirements laid out in this Schedule A – Statement of Work.

5.2. Meetings

The Contractor must attend as requested by the Schools or the State.

5.3. Reporting

The Contractor must submit the following written reports to participating Schools:

- A. At a minimum, Contractor must make reports available monthly to participating Schools.
- B. At a minimum, Contractor must annually provide industry metrics to Schools and to the State.
- C. The Contractor must provide activity reporting per student to participating Schools.
- D. The Contractor must supply default forecasting information to participating Schools.
- E. At a minimum, the Contractor must annually supply aggregate reports to the State.
- F. The Contractor must annually supply the State with a list of Schools which are utilizing their services through the MiDEAL Program.
- G. Additional reports which will be made available to participating Schools at no additional cost include:

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

- H. The Contractor must provide the State reports on industry metrics for each school, annual aggregate reports, and a list of schools and high schools that are utilizing services through the MiDEAL Program. Additional reports provided to the schools will be made available to the State with permission of the school(s).
- I. Ad Hoc reporting must be available to participating colleges and universities upon request. Additional fees may apply.

6. Pricing

6.1. Price Term

Pricing is firm for the entire length of the Contract.

6.2. Price Changes

Adjustments will be based on changes in actual Contractor costs. Any request must be supported by written evidence documenting the change in costs. The State may consider sources, such as the Consumer Price Index; Producer Price Index; other pricing indices as needed; economic and industry data; manufacturer or supplier letters noting the increase in pricing; and any other data the State deems relevant.

Following the presentation of supporting documentation, both parties will have 30 days to review the information and prepare a written response. If the review reveals no need for modifications, pricing will remain unchanged unless mutually agreed to by the parties. If the review reveals that changes are needed, both parties will negotiate such changes, for no longer than 30 days, unless extended by mutual agreement.

The Contractor remains responsible for Contract Activities at the current price for all orders received before the mutual execution of a Change Notice indicating the start date of the new Pricing Period.

7. Ordering

7.1. Authorizing Document

The appropriate authorizing document is to be determined with each school.

8. Invoice and Payment

8.1. Invoice Requirements

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

8.2. Payment Methods

Payment for Contract Activities will be negotiated with each School.

9. Liquidated Damages

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

Late or improper completion of the Contract Activities will cause loss and damage to the State and it would be impracticable and extremely difficult to fix the actual damage sustained by the State. Therefore, if there is late or improper completion of the Contract Activities the School is entitled to collect liquidated damages in the amount of 1% of borrower fees and an additional 0.25% per day for each day Contractor fails to remedy the late or improper completion of the Work.

SCHEDULE B - PRICING

1. The Contractor must provide a pricing schedule for the proposed Contract Activities using the below table. The pricing schedule should be submitted separately in a modifiable format (e.g. Microsoft Word or Excel); however, you may also submit an additional pricing schedule in a non-modifiable format (e.g., PDF). Failure to complete the pricing schedule as requested may result in disqualification of your proposal.
2. Price proposals must include all costs, including but not limited to, any one-time or set-up charges, fees, and potential costs that Contractor may charge the State (e.g., shipping and handling, per piece pricing, and palletizing).
3. The Contractor is encouraged to offer quick payment terms. The number of days must not include processing time for payment to be received by the Contractor's financial institution.

Quick payment terms: 2 % discount off invoice if paid within 10 days after receipt of invoice.

4. By submitting its proposal, the Contractor certifies that the prices were arrived at independently, and without consultation, communication, or agreement with any other Contractor.
- A. Pricing provided shall remain firm/fixed for the duration of the Contract.
 - B. Services may be purchased individually or as a package.
 - C. The State does not guarantee a minimum or maximum volume of work.

Pricing Option 1

<u>Service Provided</u>	<u>Pricing Unit</u>	<u>Price per Service</u>	<u>Additional Pricing/Information Related to Pricing</u>
Program Startup	Per School	\$ 0.00	There is not startup fee.
Grace Counseling	Per Borrower	\$ 2.50	One-time fee at assignment
Default Aversion Outreach	Per Borrower	\$ 19.00	One-time fee at assignment
Financial Literacy Program	Per School	\$ 0.00	There is no fee for WhichWay

SCHEDULE B - PRICING

Pricing Option 2

<u>Service Provided</u>	<u>Pricing Unit</u>	<u>Price per Service</u>	<u>Additional Pricing/Information Related to Pricing</u>
Program Startup	Per School	\$ 0.00	There is not startup fee.
Grace Counseling	Per Borrower	\$ 0.00	Bundled Price, ALL Students will receive Grace Counseling
Default Aversion Outreach	Per Borrower	\$ 20.00	Bundled, One-time fee at assignment includes Grace, Counseling, Loan Disclosure Letters, Default Aversion Outreach and Financial Literacy
Financial Literacy Program	Per School	\$ 0.00	There is no fee for WhichWay

EXHIBIT 1 – SECURITY REQUIREMENT

VERSION 6.1

On award of the Contract, the Contractor must comply with State and Federal statutory and regulatory requirements and rules; National Institute of Standards and Technology (NIST) publications; Control Objectives for Information and Related Technology (COBIT); all other industry specific standards; national security best practices and all requirements herein.

The Contractor must perform annual testing of all security control requirements to determine if they are working as intended. Annual certification must be provided, in writing, to the Program Manager (PM) or designee, in the form of a SOC 1, Type 2, or similar independent report, as requested by the PM.

The Contractor must make the Department of Treasury (Treasury) aware when utilizing any cloud-based solution.

A. Governing Security Standards and Publications

The Department of Treasury's information is an asset that must be protected from unauthorized disclosure, modification, use, or destruction. Prudent steps must be taken to ensure that its integrity, confidentiality, and availability are not compromised.

The Contractor must collect, process, store, and transmit Department of Treasury personal, confidential or sensitive data in accordance with the contractual agreement, State of Michigan policies, standards, and procedures (PSPs), and the laws of the State of Michigan and the United States, including, but not limited to the following:

1. The Michigan Identity Theft Protection Act, MCL 445.61 et seq;
2. The Michigan Social Security Number Privacy Act, MCL 445.82 et seq.
3. Family Educational Rights and Privacy Act
4. National Institute of Standards and Technology 800-53 (most current version)
5. State of Michigan: The Contractor must comply with the State of Michigan information technology PSPs
6. If the data consists of Federal Tax Information (FTI), the Contractor agrees to comply with the requirements identified in IRS Publication 1075's Exhibit 7, Safeguarding Contract Language.
7. Treasury PSPs

B. Security Accreditation Process

The Contractor must develop, document, and implement a security plan that provides detailed security controls implemented within the information system. If a security plan does not exist, the Contractor shall provide a description of the security controls planned for implementation. The security plan must be reviewed

EXHIBIT 1 – SECURITY REQUIREMENT

VERSION 6.1

annually, or when there is a significant change, and revised to address system/organizational changes or problems.

The Contractor must conduct assessments of risks and identify the damage that could result from unauthorized access, use, disclosure, disruption, modification, or destruction of information and information systems that support the operations and assets of the Department of Treasury. Security controls should be implemented based on the potential risks. The Contractor must ensure that reassessments occur whenever there are significant modifications to the information system and that risk assessments are reviewed annually and updated as necessary.

Each Treasury business owner is responsible for completing a Data Classification Declaration (Form DTMB-3544). Data classification is a process that prioritizes the risk level or resources. Data classification identifies and categorizes the business area's information and information system based on the data's sensitivity, criticality, and risk.

C. Data Security

The Contractor has the responsibility to protect the confidentiality, integrity, and availability of Department of Treasury data that is generated, accessed, modified, transmitted, stored, disposed, or used by the system, irrespective of the medium on which the data resides and regardless of format (such as in electronic, and non-electronic format).

The Contractor must ensure compliance with Treasury and State of Michigan PSPs when processing, transmitting or storing confidential or sensitive data on a Treasury-owned application, system or database on Treasury's behalf.

The use of live FTI and production data, in test environments, should generally be avoided and is not authorized unless specifically approved by Treasury's Office of Privacy and Security. Requests will be evaluated on an individual basis.

D. System Auditing

The Contractor must (i) create, protect, and retain information system audit log records to the extent needed to enable the monitoring, analysis, investigation, and reporting of unlawful, unauthorized, or inappropriate information system activity, and (ii) ensure that the actions of individual information system users can be uniquely traced to those users so they can be held accountable for their actions.

The Contractor must observe the following guidelines regarding system auditing:

1. Audit record should contain the following:

EXHIBIT 1 – SECURITY REQUIREMENT

VERSION 6.1

- a. date and time of the event
 - b. subject identity
 - c. type of event
 - d. source of event (how data changed)
 - e. where the event occurred
 - f. outcome of the event.
2. System alerts if audit log generation fails
 3. System protects audit information from unauthorized access
 4. Audit record should be reviewed by individuals with a “need to know” on a regular basis
 5. Audit logs must be retained either for five years plus current year or in accordance with the applicable Records Retention and Disposal Schedule, whichever is longer.

E. Incident Reporting

1. The Contractor must immediately notify the Program Manager of any security incidents and/or breaches; see **Exhibit 2**, Form 4621, *What is an Incident?* (brochure).
2. The Contractor must have a documented and implemented Incident Response Policy and Procedure.
3. In the event a security incident occurs, the Contractor must complete Form 4000* and submit it to the Department of Treasury, Office of Privacy and Security.

Note: *Another form may be substituted for Form 4000 if all pertinent information is included.

4. The Contractor must have an incident response resource identified to assist users in handling and reporting incidents.
5. Personnel is trained, at least annually, in their incident response roles and responsibilities.

F. Physical and Environmental Security

The Contractor must have established physical and environmental security controls to protect systems, the related supporting infrastructure and facilities, against threats associated with their physical environment.

EXHIBIT 1 – SECURITY REQUIREMENT

VERSION 6.1

1. The Contractor must have established environmental protection, for magnetic and other media, from fire, temperature, liquids, magnetism, smoke, and dust.
2. The Contractor must control all physical access points to facilities containing information systems (except those areas within the facilities officially designated as publicly accessible), review physical security logs periodically, investigate security violations or suspicious physical access activities, and initiate remedial actions.
3. The Contractor must periodically review the established physical and environmental security controls to ensure that they are working as intended.

G. Disaster Recovery and Business Continuity Plan

The Contractor must have developed, periodically update, and regularly test disaster recovery and business continuity plans designed to ensure the availability of Department of Treasury's data in the event of an adverse impact to the Contractor's information systems due to a natural or man-made emergency or disaster event.

H. Security Awareness Training

The Contractor must ensure their staff having access to Treasury information are made aware of the security risks associated with their activities and of applicable laws, policies, and procedures related to security identified in Section A of this document and ensuring that personnel are trained to carry out their assigned information security related duties.

Contracted employees must obtain Department of Treasury-provided security awareness training. (On-line training to be identified by the Program Manager).

EXHIBIT 2 – FORM 4621, WHAT IS AN INCIDENT? (BROCHURE)

Michigan Department of Treasury
 4621 (Rev. 04-18)

What is an Incident? What is a Security Breach?

What is an Incident?

An incident is any event threatening some aspects of physical or financial security, when financial resources or items valued at \$100 or more are missing or misused, any event violating confidentiality or privacy of information, where data is manipulated or missing, or any event involving unauthorized or unlawful activity.

Examples of Incidents:

- Missing computer equipment containing non-personal information
- Missing briefcase that contains non-personal information.

Examples of Material Incidents:

- Missing laptop computer, other mobile device, or paper records that do not contain Treasury personal information but do contain confidential or sensitive information
- Missing check stock.

What makes an incident a Security Breach?

An incident becomes a security breach when an unauthorized person gains access to or acquires:

1. Unencrypted or unredacted (data not altered or truncated) personal information, or
2. The encryption key to an area storing personal information.

Beware: If personal information is discovered during the investigative process, an incident will become a potential security breach.

Examples of a Potential/Actual Security Breach:

- Missing laptop computer, other mobile device, or portable media that contains Treasury personal information
- Missing paper records that contain personal information
- Accessing personal information when there is no business need for it
- Using another individual's User ID and Password to access personal information
- Stealing Treasury records that include personal information
- Hacking into records containing Treasury personal information
- Obtaining Treasury personal information from employees without proper authorization to access the information
- Unauthorized and unescorted persons entering secure areas that house personal information
- Theft of a server.

What is Personal Information?

The Identify Theft Protection Act, Public Act 452 of 2004, as amended, defines personal information as information containing the first name or initial of the first name and the last name **along with** one of the following:

1. Social Security number
2. Driver's License number or State Personal Identification card number
3. Account number; Credit or Debit Card number **in combination with** any required security code, access code or password that would permit access to a person's financial account.

Personal information may be in written or printed form or may reside electronically on devices or media such as mainframes, servers, personal computers (desktops and laptops), CDs, DVDs,

tapes, flash drives, memory sticks, USB keys, microfiche, PDAs, cell phones, or may exist on other state-of-the-art devices that have been or may be developed.

What should I do if my laptop is missing or if an incident is suspected?

Employee must:

1. File a report with local police immediately if asset valued at \$100 or more is missing.
2. Notify immediate supervisor no later than beginning of the next business day.
3. Complete Parts 1 and 2 of Form 4000, *Incident Report* (available on Treasury's Intranet).
4. Forward the Incident Report (with attached police report, if applicable) to immediate supervisor and a copy to the Department of Treasury, Office of Privacy and Security.

Management Staff must:

1. Report the incident immediately through the chain of command to the Treasury Division/Office Administrator and the Office of Privacy and Security. If personal information is involved, follow the guidelines for Security Breach.

Exception: If another state agency/governmental entity, report incident to Treasury Disclosure Officer, Office of Privacy and Security. If contractor or vendor, report incident to Program Manager and the Office of Privacy and Security.

2. The Administrator must notify the Bureau Director if it is a material incident or involves non-Treasury information.
3. The Bureau Director must notify the other entity immediately.
4. The Office Administrator/Bureau Director must inform the Department of Technology, Management and Budget (DTMB) Agency Services (Treasury) Director immediately if incident involves information technology resources.
5. Notify other Treasury divisions/offices that may be affected or should be involved with investigation.
6. The Disclosure Officer must notify the IRS Office of Safeguards if federal tax information is involved.
7. Investigate and resolve the incident.
8. Finalize Form 4000* and submit it to the Department of Treasury, Office of Privacy and Security.

*Another entity may substitute its internal form for Form 4000 if all pertinent information is included.

What should I do if I witness, discover, or am informed of a potential security breach?

Employee must:

1. Report the security breach immediately (no later than beginning of the next business day) to immediate supervisor.
2. Complete Parts 1 and 2 of Form 4000.
3. Forward Form 4000 (with attached police report if applicable) to immediate supervisor and a copy to the Department of Treasury, Office of Privacy and Security.
4. Office of Privacy and Security contacts Michigan Cyber Security (MCS) within 24 hours, if the suspected breach involves electronic data.

EXHIBIT 2 – FORM 4621, WHAT IS AN INCIDENT? (BROCHURE)

Management Staff must:

1. If the breach is ongoing, **CONTAIN IT**.
2. Report the potential breach immediately, through the chain of command, to the Bureau Director or Deputy Treasurer, whichever is applicable.
3. The Bureau Director or the Deputy Treasurer, whichever is applicable, must notify the Chief Deputy Treasurer/Treasurer immediately if a breach involves a database of personal information.
4. The Bureau Director must notify the other entity if the potential breach involves non-Treasury information.
5. The Office Administrator/Bureau Director must inform the DTMB Agency Services (Treasury) Director right away if incident involves information technology resources and personal information.
6. The Disclosure Officer must notify the IRS Office of Safeguards if federal tax information is involved.
7. Convene appropriate personnel, so the scope of the breach can be determined, and a plan for appropriate action can be agreed upon.

Note: If a database of personal information is involved, the Chief Deputy Treasurer/Treasurer must approve the Plan of Action.

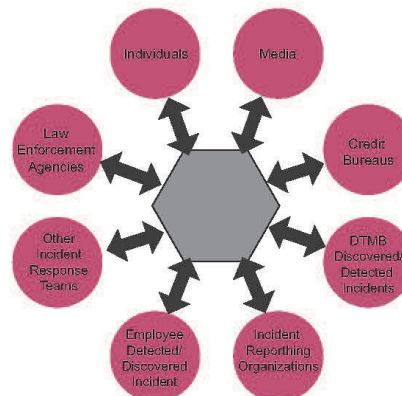
8. If appropriate, issue breach notifications by telephone, in writing, on the Web or by e-mail.
9. Notify the three major credit bureaus of the breach if more than 1,000 residents of the State of Michigan will receive or have received breach notifications.
10. Finalize Form 4000* and submit it to the Department of Treasury, Office of Privacy and Security.
11. Office of Privacy and Security contacts the Social Security Administration (SSA), if the data involves SSA provided personally identifiable information (PII).

*Another entity may substitute its internal form for Form 4000 if all pertinent information is included.

Treasury must protect personal information against risks such as unauthorized access, modification or loss with reasonable security safeguards. Some safeguards are:

- Do not store confidential, personal, or sensitive Treasury information on mobile devices or portable media (including laptops, notebooks, memory sticks, CDs, DVDs, floppies) unencrypted. ENCRYPT files or the full disk. (Refer to DTMB Standard 1340.00.110.03, Storage of Sensitive Information on Mobile Devices and Portable Media; also refer to Treasury Policy ET-03169 Data Security).
- Avoid sending or receiving unencrypted confidential, personal, or sensitive information via e-mail.
- Avoid sending confidential, personal, or sensitive information via fax.
- Secure confidential, personal, or sensitive papers on the fax, printer, or copy machines.
- Keep conversations at a volume level and/or in a location that will protect information.
- Back-up data on a regular basis; make sure data files from an approved portable device are stored on the network server.
- Store data on a "need to know" basis.

- Shred documents with confidential, personal, or sensitive information (see Treasury Policy ET-03115 Confidential Information, Handle and Discard).
- Have computers and hard drives properly wiped or overwritten when discarding or transferring (see DTMB Procedure 1340.00.110.04, Secure Disposal of Installed and Removable Digital Media and Treasury Policy ET-03169).
- Use a log-in password that complies with DTMB's 1340.00.080.01 Identification and Authentication Standard.
- Never set any log-in dialog box to remember your password (see Treasury Policy ET-03175 Passwords).
- Use a password-protected screen saver that comes on after a few minutes of inactivity. Initiate screen lock system (if a Treasury employee, press the key with Microsoft Windows logo and "L" on the keyboard) when you leave your office, even for a short period.
- Limit access to confidential, personal, or sensitive information to those who need to use it to perform their job duties (see DTMB Policy 1340.00.020.01, Information Technology Access Control, and Treasury Policy ET-03164 Access Control).



For additional information, see the following guidelines in the Security Guide:

ET-03180, Incident Reporting
 BT-03084, Security Breach Involving Personal Information
 PT-03253, Incident Reporting and Handling
 CT-03070, Incident/Security Breach Examples
 DTMB Operating Procedure, How to Handle a Breach of Personal Identifiable / Sensitive Information Incidents

Other References:

BT-03049, Employee Conduct, General Guidelines
 ET-03140 Workplace Safety
 PT-03246, Potential Dangerous Taxpayer/Debtor, Report
 PT-03095, Theft or Irregularities in Public Funds/Property or Violations of Departmental Policies and Procedures, Report and Investigate

Contact Information:

If questions, please contact Office/Division/Bureau Security Liaison or the Office of Privacy and Security at 517 636-4081.

EXHIBIT 2 – FORM 4621, WHAT IS AN INCIDENT? (BROCHURE)

Michigan Department of Treasury
 4000 (Rev. 05-14)

Incident Report

INSTRUCTIONS: Complete Parts 1 and 2 and immediately submit Initial Report to the Office of Privacy and Security. After incident resolution, submit Final Report (Parts 1, 2 and 3) to the Office of Privacy and Security. Refer to Procedure PT-03253, Incident Reporting and Handling.

PART 1: A. CONTACT INFORMATION (Reporting Entity)																								
Full Name (Last, First, Middle Initial)		Division/Office																						
Telephone Number	Fax Number	E-Mail Address																						
B. CONTACT INFORMATION (Affected Entity)																								
Full Name (Last, First, Middle Initial)		Division/Office																						
Telephone Number	Fax Number	E-Mail Address																						
PART 2: INCIDENT INFORMATION																								
Whose Information was Involved in the Incident?																								
<input type="checkbox"/> Treasury <input type="checkbox"/> Federal Tax Information <input type="checkbox"/> Other State Agency, specify _____ <input type="checkbox"/> Other _____																								
Incident Category (select all that apply)																								
<table border="0"> <tr> <td><input type="checkbox"/> Passwords Shared/Stolen</td> <td><input type="checkbox"/> Computer Virus/Spam</td> <td><input type="checkbox"/> Paper Archives Compromised</td> </tr> <tr> <td><input type="checkbox"/> Misrouted Communications</td> <td><input type="checkbox"/> Data Destruction/Deletion</td> <td><input type="checkbox"/> Safe/Lockbox/other Compromise</td> </tr> <tr> <td><input type="checkbox"/> Unauthorized Access</td> <td><input type="checkbox"/> Backups Missing or Stolen</td> <td><input type="checkbox"/> Delivery of Documents Lost</td> </tr> <tr> <td><input type="checkbox"/> Fraudulent Actions</td> <td><input type="checkbox"/> Hacking of Networks/Systems</td> <td><input type="checkbox"/> Inappropriate Destruction Paper</td> </tr> <tr> <td><input type="checkbox"/> Lost/Stolen Information/Data</td> <td><input type="checkbox"/> Improperly Secured Sys/Web</td> <td><input type="checkbox"/> Inappropriate Destruction Media</td> </tr> <tr> <td><input type="checkbox"/> Lost/Stolen Cash/Checks</td> <td><input type="checkbox"/> Circumvention of Security Protocols</td> <td><input type="checkbox"/> Lost/Stolen Equipment</td> </tr> <tr> <td><input type="checkbox"/> Inappropriate Building Access</td> <td><input type="checkbox"/> _____</td> <td><input type="checkbox"/> _____</td> </tr> </table>				<input type="checkbox"/> Passwords Shared/Stolen	<input type="checkbox"/> Computer Virus/Spam	<input type="checkbox"/> Paper Archives Compromised	<input type="checkbox"/> Misrouted Communications	<input type="checkbox"/> Data Destruction/Deletion	<input type="checkbox"/> Safe/Lockbox/other Compromise	<input type="checkbox"/> Unauthorized Access	<input type="checkbox"/> Backups Missing or Stolen	<input type="checkbox"/> Delivery of Documents Lost	<input type="checkbox"/> Fraudulent Actions	<input type="checkbox"/> Hacking of Networks/Systems	<input type="checkbox"/> Inappropriate Destruction Paper	<input type="checkbox"/> Lost/Stolen Information/Data	<input type="checkbox"/> Improperly Secured Sys/Web	<input type="checkbox"/> Inappropriate Destruction Media	<input type="checkbox"/> Lost/Stolen Cash/Checks	<input type="checkbox"/> Circumvention of Security Protocols	<input type="checkbox"/> Lost/Stolen Equipment	<input type="checkbox"/> Inappropriate Building Access	<input type="checkbox"/> _____	<input type="checkbox"/> _____
<input type="checkbox"/> Passwords Shared/Stolen	<input type="checkbox"/> Computer Virus/Spam	<input type="checkbox"/> Paper Archives Compromised																						
<input type="checkbox"/> Misrouted Communications	<input type="checkbox"/> Data Destruction/Deletion	<input type="checkbox"/> Safe/Lockbox/other Compromise																						
<input type="checkbox"/> Unauthorized Access	<input type="checkbox"/> Backups Missing or Stolen	<input type="checkbox"/> Delivery of Documents Lost																						
<input type="checkbox"/> Fraudulent Actions	<input type="checkbox"/> Hacking of Networks/Systems	<input type="checkbox"/> Inappropriate Destruction Paper																						
<input type="checkbox"/> Lost/Stolen Information/Data	<input type="checkbox"/> Improperly Secured Sys/Web	<input type="checkbox"/> Inappropriate Destruction Media																						
<input type="checkbox"/> Lost/Stolen Cash/Checks	<input type="checkbox"/> Circumvention of Security Protocols	<input type="checkbox"/> Lost/Stolen Equipment																						
<input type="checkbox"/> Inappropriate Building Access	<input type="checkbox"/> _____	<input type="checkbox"/> _____																						
Incident Affects																								
<input type="checkbox"/> Financial Information/Resources <input type="checkbox"/> Personal Information (SSN, Driver License No, Financial Information) <input type="checkbox"/> Unauthorized/Unlawful Activity <input type="checkbox"/> Confidential/Sensitive Information <input type="checkbox"/> Human Resources (threat) <input type="checkbox"/> Other _____																								
Date Incident Occurred	Time Incident Occurred	Date Incident Discovered	Time Incident Discovered																					
Incident Location		Number of Individuals Affected																						
Involved Parties/Entities		Does this involve personal information (first and last name along with a SSN, driver license number, or credit/debit card account number)? <input type="checkbox"/> Yes <input type="checkbox"/> No																						
Date of Initial Report																								
Description of Incident																								