STATE OF MICHIGAN PROCUREMENT

Department Technology, Management and Budget
Central Procurement Services
320 S Walnut Street Lansing, MI 48933
P.O. Box 30026, Lansing, MI 48909

CONTRACT CHANGE NOTICE

Change Notice Number **6**
to
Contract Number **MA220000001022**

CONTRACTOR	
	PUBLIC SECTOR CONSULTANTS INC
	230 N. Washington Square, Ste. 300
	Lansing MI 48933
	Rachel Kuntzsch
	517-484-4954
	rkuntzsch@publicsectorconsultants.com
	CV0028274

STATE			
	Program Manager	Various	TREA
	Contract Administrator	Adam Ashley	DTMB
		(517) 855-1376	
		ashleya2@michigan.gov	

CONTRACT SUMMARY			
Consultant Services for Schools and Local Units of Government – Prequalified Contract			
INITIAL EFFECTIVE DATE	**INITIAL EXPIRATION DATE**	**INITIAL AVAILABLE OPTIONS**	**EXPIRATION DATE BEFORE**
June 1, 2022	May 31, 2025	2 - 1 Year	May 31, 2026
PAYMENT TERMS		**DELIVERY TIMEFRAME**	
Net 45		N/A	
ALTERNATE PAYMENT OPTIONS			**EXTENDED PURCHASING**
☐ P-Card ☐ Direct Voucher (PRC) ☐ Other			☒ Yes ☐ No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
OPTION	**LENGTH OF OPTION**	**EXTENSION**	**LENGTH OF EXTENSION**	**REVISED EXP. DATE**
☒	1 Year	☐		May 31, 2027
CURRENT VALUE	**VALUE OF CHANGE NOTICE**	**ESTIMATED AGGREGATE CONTRACT VALUE**		
$20,000.00	$0.00	$20,000.00		

DESCRIPTION
Please note the Program Manager or Contract Administrator may have changed, and are reflected on this Change Notice. Effective April 30, 2026, the last option year available on this contract is hereby exercised. The revised contract expiration date is 05/31/2027. All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, and DTMB Central Procurement approval.

Program Managers

for

Multi-Agency and Statewide Contracts

AGENCY	NAME	PHONE	EMAIL
TREA	Jessica Thomas	517-335-1215	Thomasj45@michigan.gov
TREA	Kevin Smith	313-456-4279	SmithK155@michigan.gov
TREA	Chelan Burks-Andrews		BurksAndrewsC@michigan.gov

STATE OF MICHIGAN
ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget
320 S. Walnut Street 2nd Floor Lansing, MI 48933
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **4**
to
Contract Number **MA220000001022**

CONTRACTOR	
	PUBLIC SECTOR CONSULTANTS INC
	230 N. Washington Square, Ste. 300
	Lansing MI 48933
	Rachel Kuntzsch
	517-484-4954
	rkuntzsch@publicsectorconsultants.com
	CV0028274

STATE			
	Program Manager	Various	TREA
	Contract Administrator	Adam Ashley	DTMB
		(517)855-1376	
		ashleya2@michigan.gov	

CONTRACT SUMMARY			
Consultant Services for Schools and Local Units of Government – Prequalified Contract			
INITIAL EFFECTIVE DATE	**INITIAL EXPIRATION DATE**	**INITIAL AVAILABLE OPTIONS**	**EXPIRATION DATE BEFORE**
June 1, 2022	May 31, 2025	2 - 12 Months	May 31, 2025
PAYMENT TERMS		**DELIVERY TIMEFRAME**	
Net 45		N/A	
ALTERNATE PAYMENT OPTIONS			**EXTENDED PURCHASING**
☐ P-Card ☐ Direct Voucher (PRC) ☐ Other			☒ Yes ☐ No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
OPTION	**LENGTH OF OPTION**	**EXTENSION**	**LENGTH OF EXTENSION**	**REVISED EXP. DATE**
☒	12 Months	☐		May 31, 2026
CURRENT VALUE	**VALUE OF CHANGE NOTICE**	**ESTIMATED AGGREGATE CONTRACT VALUE**		
$20,000.00	$0.00	$20,000.00		

DESCRIPTION

Effective May 15, 2025, this Contract is exercising the 1 option year and an updated Schedule B - Pricing is hereby attached. The revised contract expiration date is 5/31/2026.

All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, and DTMB Central Procurement approval.

Program Managers
for
Multi-Agency and Statewide Contracts

AGENCY	NAME	PHONE	EMAIL
TREA	Kevin Smith	313-456-4279	SmithK155@michigan.gov
TREA	Chelan Burks-Andrews	313-456-6641	BurksAndrewsC@michigan.gov

Schedule B – Pricing

Position	Hourly Rate
Senior Vice President	$410
Senior Policy Advisor	$350
Director	$305
Senior Consultant	$230
Consultant	$165
Editing	$145
Design	$165
Executive Assistant	$125

STATE OF MICHIGAN
ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget
320 S. Walnut Street 2nd Floor Lansing, MI 48933
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **3**
to
Contract Number **MA220000001022**

CONTRACTOR	
	PUBLIC SECTOR CONSULTANTS, INC.
	230 N. Washington Square, Ste. 300
	Lansing MI 48933
	Rachel Kuntzsch
	517-484-4954
	rkuntzsch@publicsectorconsultants.com

STATE			
	Program Manager	Various	TREA
	Contract Administrator	Adam Ashley	DTMB
		(517)-855-1376	
		ashleya2@michigan.gov	

CONTRACT SUMMARY			
Consultant Services for Schools and Local Units of Government – Prequalified Contract			
INITIAL EFFECTIVE DATE	**INITIAL EXPIRATION DATE**	**INITIAL AVAILABLE OPTIONS**	**EXPIRATION DATE BEFORE**
June 1, 2022	May 31, 2025	2 - 12 Months	May 31, 2025
PAYMENT TERMS		**DELIVERY TIMEFRAME**	
Net 45		N/A	
ALTERNATE PAYMENT OPTIONS			**EXTENDED PURCHASING**
☐ P-Card ☐ Direct Voucher (PRC) ☐ Other			☒ Yes ☐ No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
OPTION	**LENGTH OF OPTION**	**EXTENSION**	**LENGTH OF EXTENSION**	**REVISED EXP. DATE**
☐		☐		
CURRENT VALUE	**VALUE OF CHANGE NOTICE**	**ESTIMATED AGGREGATE CONTRACT VALUE**		
$20,000.00	$0.00	$20,000.00		

DESCRIPTION

Effective September 6th, 2024, the State Contract Administrator has been updated to Adam Ashley.

Email: ashleya2@michigan.gov

Phone: (517)-855-1376

All other terms, conditions, specifications and pricing remain the same. Per Contractor and agency agreement, and DTMB Central Procurement Services approval.

Program Managers
for
Multi-Agency and Statewide Contracts

AGENCY	NAME	PHONE	EMAIL
TREA	Jessica Thomas	517-335-1215	Thomasj45@michigan.gov
TREA	Kevin Smith	313-456-4279	SmithK155@michigan.gov

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 **2**

to

Contract Number **220000001022**

CONTRACTOR	
	PUBLIC SECTOR CONSULTANTS, INC.
	230 N. Washington Square, Ste. 300
	Lansing, MI 48933
	Rachel Kuntzsch
	517-484-4954
	rkuntzsch@publicsectorconsultants.com
	CV0028274

STATE			
	Program Manager	Jessica Thomas	TREA
		517-335-1215	
		Thomasj45@michigan.gov	
	Contract Administrator	Jordana Sager	DTMB
		(517) 896-1903	
		sagerj2@michigan.gov	

CONTRACT SUMMARY

CONSULTANT SERVICES FOR SCHOOLS AND LOCAL UNITS OF GOVERNMENT – PREQUALIFIED CONTRACT

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
June 1, 2022	May 31, 2025	2 - 1 Year	May 31, 2025

PAYMENT TERMS	DELIVERY TIMEFRAME
	N/A

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
☐ P-Card ☐ PRC ☐ Other	☐ Yes ☒ No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		N/A

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$20,000.00	$0.00	$20,000.00

DESCRIPTION

Effective February 13, 2023, the attached Schedule A - Statement of Work/Schedule B - Pricing/Exhibit A is added to the Contract for use by TREASURY.

State's Program Manager for this project:
Scott Blakeney
BlakeneyS1@michigan.gov
517-241-4818

Vendor's Program Manager for this project:
Tim Dempsey
tdempsey@publicsectorconsultants.com
517-484-4954

All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Central Procurement approval.

SCHEDULE A - STATEMENT OF WORK CONTRACT ACTIVITIES

Public Sector Consultants MA 220000001022
Treasury Strategic Plan Refresh

BACKGROUND

The State of Michigan (State) Department of Treasury (Treasury) will refresh its Strategic Plan in 2023. This refresh will revisit the current strategic plan's goals, strategies, associated metrics, and implementation plans. It is necessary for the Treasury to create and regularly update a departmental strategic plan as a guiding document to ensure systems, people, and finances are aligned to best serve the citizens of Michigan. Treasury's last full strategic planning occurred in 2019 and the department is due for a strategic plan review and refresh.

SCOPE

Public Sector Consultants (the Contractor) will work with the Treasury's Lean Innovation and Improvement Bureau's Innovation Division to prepare, facilitate, and document a refresh of the department-wide strategic goals. The contractor, in partnership with the Innovation Division, is responsible for identifying the activities that will be leveraged to facilitate the workshop(s) with Treasury leadership (Leadership). The contractor will facilitate the workshop(s) and document the methodology and results in a final report. The methodology used, strategy for facilitation, and post facilitation activities will be led by the Contractor and collaboratively developed between the Contractor and Treasury. The workshop(s) will be held at a location determined by Treasury (and may include both virtual and/or in person settings). The Contractor will develop and provide an agenda for the workshop(s), documented meeting minutes for the workshop(s) and all associated pre/post engagements, a draft and finalized facilitation plan which incorporates any Treasury edits, a draft final report, and a final report which incorporates any Treasury edits.

1. Requirements

1.1. General Requirements

A. **Contractor Requirements**

1. Contractor must perform the contract actives in a timely, professional, inclusive, non-bias manner.
2. Contractor must work with the Program Manager on deliverables and logistics.
3. Contractor must provide all contract deliverables/activities in good quality with no material defects.
4. Contractor must maintain confidentiality.

B. Project Requirements

1. Phase 1 Design (February 2023):
    a. Contractor must play a lead role in the planning, facilitation, and documentation of the strategic planning process.
    b. Contractor must involve appropriate internal stakeholders in the planning process, including Treasury's Lean Innovation and Improvement Bureau staff. The State will work with the identified Contractor and assist with the planning process and identifying the internal stakeholders.
    c. Contractor must ensure the inclusion of diverse voices in the planning activities, remove bias, and calculate stakeholder input, while using a collaborative approach to setting priorities and mapping the best route to implementation.
    d. Contractor must document all deliverables (agenda(s), facilitation plan(s), methodology, meeting minutes, implementation plan(s), report(s), etc. electronically and must assist in reviewing information and inputs to establish additional goals and the identification of informational needs for committee or sub-committee work.
    e. Draft an initial plan including stakeholder involvement, process, and timeframe for completion.
    f. Review the draft written project plan with Program Manager, Leadership, project workgroup (staff directly involved with project), and other stakeholders, as requested.
    g. Contractor must develop a customized written plan for facilitation in partnership with the State.
    h. Contractor will submit a draft facilitation plan for the strategic refresh workshop(s) 2 weeks prior (on February 21, 2023) to the scheduled engagement (on March 7, 2023) to the Program Manager.
    i. The Strategic Plan currently has 4 Strategic Goals that will need to be evaluated and assessed for relevancy, alignment, status, and revision. Additionally, any metrics associated with the goals will need to be reviewed. Implementation of the revised goals will need to be planned and documented.

    ** Note* To review the current strategic plan and 4 Strategic Goals, see Exhibit A – Treasury Agency Level Strategic Plan.*

j. The Project Manager will review and approve the final facilitation plan within 5 business days of receiving the draft plan. The Project Manager will be reviewing the Facilitation Plan for the purposes of ensuring that the activities will achieve the desired outcomes of the project.
k. The Contractor will incorporate feedback or edits from the Program Manager that would assist in meeting the desired results to the facilitation plan.

2. Phase 2- Delivery (March 2023)
    a. The Contractor will lead the facilitation of the workshop(s), currently scheduled for March 7.
    b. The State will provide logistical support (room reservations, equipment and supplies).
    c. The Contractor will provide facilitated coaching of workshop participants to lead the team to the desired results.
    d. The Contractor must provide copies all workshop facilitation materials in a modifiable digital format (Microsoft Word Format).
    e. The facilitation materials, activities, deliverables, and reports will be a State-owned product and the State will have all rights to use all materials, activities, deliverables and reports in perpetuity.
    f. The Contractor will document the work of the workgroup. Contractor must play a lead role in compiling information and input from workgroup members. Contractor must play a lead role in producing a final report which reflects the accomplishments and next steps of the workgroup(s).

3. Phase 3- Post Workshop Activities (March 2023)
    a. The Contractor in partnership with the State will evaluate workshop feedback for continuous improvement purposes and identify methodology edits for future use.
    b. The Contractor must provide a draft report in a modifiable digital format (Microsoft Word Format) within 10 business days of the facilitated workshop(s) being completed (on or before March 21, 2023). This report will include:
        i. Methodology used (overview of activities used, results, with facilitation instruction, tips, and tricks)
        ii. Workshop documentation of goals, facilitated activity results, additional goals established as a result of the workshop(s), and identification of information needed for committee or sub-committee work.

iii. A one-page executive summary of Department's Strategic Plan Revisions in modifiable digital format (Microsoft Word Format).

c. The Program Manager will provide feedback on the report on or before March 24, 2023. The Contractor must incorporate approved changes, feedback, and comments, into a Final Report, which must be submitted on or before March 31.

i. The Contractor must ensure the final deliverables are in compliance with the State's style guide, which will be provided to the Contractor.

4. Observation

a. The Contractor must allow the Lean Innovation and Improvement Bureau staff observe and shadow their process for this project. This includes the shadowing of pre and post facilitation meetings, the observations of planning the activities used for the facilitation session(s), the shadowing of customizing methodology for the project needs, and the post facilitation activities to support successful implementation of the next steps.

b. The Contractor will share best practice tips and tricks with the Lean Innovation and Improvement Bureau staff observing for successful facilitation of future strategic planning workshops.

Service Requirements

C. Timeframes

1. Completion dates for individual phases for this project are listed below. Phases must be completed by the following milestone dates:

a. Phase 1: Design of the strategic refresh workshop(s) – draft facilitation plan targeted to be completed by February 21, 2023 with final draft approved by Treasury Program Manager within 5 business days.

b. Phase 2: Delivery of the session(s) – targeted to be completed by March 7, 2023

c. Phase 3: Post Workshop Activities – targeted to be completed by March 31, 2023.

2. Acceptance

2.1. Acceptance, Inspection, and Testing

The State will use the following criteria to determine acceptance of the Contract Activities:

Review and approval of each deliverable by the State's Program Manager.

3. Staffing

3.1. Contractor Representative

The Contractor Representative, Tim Dempsey, will be specifically assigned to State of Michigan accounts, will respond to State inquiries regarding the Contract Activities, and answer questions related to ordering and delivery, etc.

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

3.2. Program Manager

The Program Manager for each party related to this SOW will monitor and coordinate the day-to-day activities of the Contract (each a "**Program Manager**"):

State:	Contractor:
Scott Blakeney 430 W Allegan St Lansing, MI 48933 BlakeneyS1@michigan.gov 517-241-4818	Tim Dempsey 230 N. Washington Sq., Ste. 300 Lansing, MI 48933 tdempsey@publicsectorconsultants.com 517-484-4954

3.3. Customer Service Telephone Number

The Contractor Representative, Tim Dempsey, must be available for calls during the hours of 8:00 am to 5:00 pm ET at the following phone number:

517-484-4954

3.4. Work Hours

The Contractor must provide Contract Activities during the State's normal working hours Monday – Friday, 8:00 a.m. to 5:00 p.m. ET and possible night and weekend hours depending on the requirements of the project. No overtime will be authorized or paid. The State reserves the right to modify the work hours in the best interest of the project. The Contractor will not be compensated for holiday pay. Contractors will not be reimbursed for travel expenses or travel time.

3.5. Key Personnel

The Contractor must appoint at least one 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 24 hours.

See master contract Schedule A - SOW section 4.4 for more details.

Key Personnel:

1. Name	2. Years of Experience in Current Classification	3. Role(s) / Responsibilities	4. Direct / Subcontract / Contract	5. % of Work Time	6. Physical Location
Tim Dempsey, Vice President	10	Project executive and project manager: Tim will be PSC's primary contact with the State, responsible for oversight of key project deliverables, and cofacilitator for the workshop.	Direct, FT	8%	Lansing, MI
Julie Durham, Senior Consultant	10	Julie will support workshop design and cofacilitate the workshop.	Direct, FT	10%	Lansing, MI
Roderick Bullard, Research Associate	1	Project support: Roderick will support the team with note taking, facilitation support, and other as needed duties.	Direct, FT	11%	Lansing, MI

3.6. Contractor Personnel

The Contractor must identify the roles and responsibilities of all Contractor Personnel NOT listed as Key Personnel that will be performing services under this Contract in the table below.

Contractor Personnel:

Functional Role(s)/ Responsibilities	1. Name	2. Years of Experience in Current Classification	3. Role(s) / Responsibilities	4. Direct / Subcontract/ Contract
1. Scheduling and material preparation	Amy Lynch	10	Assist with scheduling check-in meetings and preparing materials for the workshop, other miscellaneous activities as needed.	Direct
2. Editors, formatters, and designers	Aimee Cain, Erika Murdey, Laurel Tilot, and/or, Megan Inbody	3–8	Editing, formatting, and designing documents to ensure accuracy and meet State style standards.	Direct

3.7. Security

The State may require the Contractor's personnel to wear State issued identification badges.

The Contractor's staff may be required to make deliveries to or enter State facilities. Contractor's staff will adhere to all building security requirements. Contractor's staff do not wear uniforms but will follow identification and security check protocols. Required background checks will be performed by State-approved vendors.

4. Project Management

4.1. Project Plan

The Contractor will carry out this project under the direction and control of the Program Manager. Within 5 business days of the Effective Date, the Contractor must submit a final project plan to the Program Manager for 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, timeline, and resources required.

4.2. Meetings

The Contractor must attend the following meetings:

A. Status update meetings with the State– not less than weekly, or as mutually agreed upon.
B. Facilitated Strategic Planning Refresh Workshop Meeting(s) – as mutually agreed upon.

C. Post Workshop Debrief Meetings- as mutually agreed upon.

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

4.3. Reporting

The Contractor must submit to the Program Manager, via email, the following written reports:

A. A final written report in digital format (Microsoft Word format) by March 31, 2023 concluding detailing the:
    a. Methodology used (overview of activities used, results, with facilitation tips and tricks)
    b. Workshop documentation of goals, facilitated activity results, additional goals established as a result of the workshop(s), and identification of information needed for committee or sub-committee work.
B. The Contractor will provide a 1 page executive summary (Microsoft Word Format) of the refreshed strategic goals by March 31, 2023
C. The Contractor must incorporate any revisions, feedback, or edits that the State provides into a finalized version of these documents.
D. The Contractor should ensure the final deliverables are in compliance with the State's style guide, which will be provided to the Contractor.

5. Pricing

5.1. Price Term

Pricing is firm for the entire length of the engagement related to this SOW. Contractor pricing must not exceed rates provided in Schedule B.

6. Ordering

6.1. Authorizing Document

See master contract Schedule A - SOW section 6.1 for details.

7. Invoice and Payment

7.1. Invoice Requirements

Invoices must be submitted no later than 30 calendar days after the completion of each project phase. Completion is dependent on acceptance by the State's Program Manager as defined in Section 2.1. All invoices submitted to the State must include: (a) date; (b) Delivery Order number; (c) hours; (d) description of the Contract Activities; (e) unit price; (f) shipping cost (if any); (g) vendor-generated invoice number; and (h) total price. *Overtime, holiday pay, and travel expenses will **not** be paid*.

7.2. Payment Methods

See master contract Schedule A - SOW section 7.2 for details.

8. Liquidated Damages

See master contract Schedule A - SOW section 9. for details.

9. Service-Level Agreement (SLA)

A. The Contractor will be held accountable to meet the requirements and the SLAs established in this SOW.

Service Level Agreements for this Contract will be as follows:

SLA Metric 1. Timely Deliveries	
Milestones	Phase 1: Design of the strategic refresh workshop(s) – draft facilitation plan targeted to be completed by February 21, 2023 with final draft approved by Treasury within 5 business days. Phase 2: Facilitation of the session(s) – to be completed on March 7, 2023 Phase 3: Final Report – to be completed by March 31, 2023
Credit Due for Failing to Meet the SLA.	$25 may be assessed for each calendar day beyond the established milestone due dates as approved by the Treasury Program Manager and outlined in the Project Plan. Extenuating circumstances will be reviewed by the Program Manager before any Service Credits are assessed. At the discretion of the State, these credits may be applied toward any payable due to the Contractor or be payable directly

SLA Metric 1. Timely Deliveries	
	to the State. Payments made directly to the State must be completed within 10 days of notice of assessment.

SCHEDULE B PRICING

Department of Treasury Strategic Plan Refresh

1. Pricing must include all costs, including but not limited to, any one-time or set-up charges, fees, and potential costs that Contractor may charge the State (e.g., shipping and handling, per piece pricing, and palletizing).

2. Pricing for requirements outlined in Schedule A:

Phases	Proposed Hours	Price Per Hour (Flat Fee)	Phase Price
Phase 1: Design and facilitation plan of the strategic refresh workshop(s)—to be completed and finalized by February 21, 2023	31	$177	$5,490
Phase 2: Facilitation of the session(s)—to be completed by March 7, 2023	48	$179	$8,600
Phase 3: Final Report—to be completed by March 31, 2023	34	$160	$5,430
		Total Price:	$19,520

3. NOTES:

a. *Overtime, holiday pay, and travel expenses will **not** be paid*.

b. **Hourly Rates must not exceed rates provided in Schedule B of the master contract.**

Hourly Rates

Position	**Hourly Rate (Not to Exceed)**
Vice president	$280
Senior consultant	$175
Research associate	$120
Executive assistant	$115
Editing/formatters/designers	$120

Exhibit A

Michigan Department of TREASURY

TREASURY AGENCY-LEVEL STRATEGIC PLAN

Our MISSION
The Department of Treasury provides fair and efficient financial services on behalf of taxpayers, governments, students, and all Michiganders for the long-term fiscal health and stability of our state.

Our VISION
We are the innovative and inclusive resource provider of exceptional financial services for a better
Michigan.

Our VALUES

- Integrity
- Inclusion & Diversity
- Innovation
- Public Service

Our FOUNDATION
Employee Engagement. We are committed to an inclusive environment that values diverse perspectives
and cultivates employee recruitment, retention, development, and leadership.

Culture of Service. We provide complete, accurate, and timely services to all internal and external customers in a professional manner.

Continuous Improvement. We are dedicated to proactive and innovative employee-driven solutions in our daily operations and strategic financial leadership.

Our CORE OPERATING PROCESSES

- Collecting, disbursing, and investing all state monies
- Advising the Governor on all tax and revenue policy
- Collecting and administering state taxes
- Safeguarding the credit of the state
- Investing the State and school employees' retirement funds
- Monitoring the fiscal health of Michigan's local governments and schools
- Providing equality of access to student financial resources and information

Our STRATEGIC GOALS

Goal 1 - Plan for Michigan's short- and long-term financial opportunities and challenges
Goal 2 - Securely and efficiently process quality Treasury data
Goal 3 - Define and improve satisfaction for all customer groups
Goal 4 - Enhance recruitment and increase retention of engaged employees by making Treasury a great place to work. **STRATEGIC GOAL 1**
Plan for Michigan's short- and long-term financial opportunities and challenges.

Outcome Metric(s):

- Business plans that implement, promote, and evaluate the identified strategies

Strategies:

Strategy 1.1 Create a roadmap to provide financial stability for our state
Strategy 1.2 Review current tax laws and their impact on current and future revenue, as a resource for policymakers
Strategy 1.3 Coordinate and provide access to financial literacy resources and tools for all Michiganders
Strategy 1.4 Consistently update and implement business continuity plans and risk assessments to mitigate financial and organizational risk

Performance Measures (KPIs):

KPI 1.1 Reduction in unmitigated risks as determined by our internal control evaluations and audits
KPI 1.2 Attendance at financial literacy forums
KPI 1.3 Use of website for access to materials and tools
KPI 1.4 MI Financial Literacy website – 20% increase in traffic (clicks) (https://www.michigan.gov/finlit)

STRATEGIC GOAL 2
Securely and efficiently process quality Treasury data.

NOTE: 'Process' includes *collect, organize, access, update, and share.* 'Quality' includes *accurate, complete, timely.*

Outcome Metrics:

- Instances of redundant/duplicate data collection
- Instances of unauthorized access to data

Strategies:

Strategy 2.1 Implement data governance framework
Strategy 2.2 Establish data maps that reflect the flow of Treasury data
Strategy 2.3 Ensure accurate posting of data
Strategy 2.4 Identify security risks and implement remediation plans for Treasury's IT environment

Performance Measures (KPIs):

KPI 2.1 # document types converted to electronic non-paper processes
KPI 2.2 % increase in paper documents received in mail operations, converted to imaged documents
KPI 2.3 % adjustments after month-end (consider dollars and materiality)

KPI 2.4 % reduction in audit findings around inappropriate access to data
KPI 2.5 % of business areas having adopted the Treasury business glossary
KPI 2.5 Data Governance Framework completed and approved
KPI 2.6 % applications with authority to operate
KPI 2.7 % reduction in open POAMs

STRATEGIC GOAL 3

Define and improve satisfaction for all customer groups.

Outcome Metrics:

- Attendance at outreach events
- Customer satisfaction on call center and MTO surveys
- Employee engagement survey results
- Customer survey results

Strategies:

Strategy 3.1 Improve our website and materials to be more accessible and customer-focused
Strategy 3.2 Evaluate opportunities to provide more interactive tools and real-time solutions for assisting customers
Strategy 3.3 Offer consistent customer service expectations and training across the department
Strategy 3.4 Reach agreement on expectations that define consistent customer satisfaction and develop related training across the agency

Performance Measures (KPIs):

KPI 3.1 Measure web traffic to gauge efficiency and effectiveness
KPI 3.2 Customer satisfaction scores of top 5 identified customer needs
KPI 3.3 % of consistent employee responses to customer inquiries, following customer service-based training (e.g., random daily soft skill and hard skill QA score reviews)

STRATEGIC GOAL 4

Enhance recruitment and increase retention of engaged employees by making Treasury a great place to work.

Outcome Metrics:

- Number of qualified applicants for job postings
- Turnover of staff
- Percentage of Treasury staff identified as “Champions” on the statewide employee survey

Strategies:

Strategy 4.1 Cultivate plan to become more attractive as an employer
Strategy 4.2 Develop administrators, managers, and supervisors as leaders
Strategy 4.3 Provide expectations, resources, and support for our employees

Performance Measures (KPIs):

KPI 4.1 % seats filled across available courses

KPI 4.2 # of applicants for Treasury positions
KPI 4.3 # of voluntary separations from Treasury (lateral)
KPI 4.4 % agree score for the statewide Employee Engagement Survey question, "I intend to stay with the State of Michigan for at least another 12 months."
KPI 4.5 % success rate in attracting new employees from university programs and/or industry professional groups

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 **220000001022**

CONTRACTOR	
	PUBLIC SECTOR CONSULTANTS, INC.
	230 N. Washington Square, Ste. 300
	Lansing, MI 48933
	Rachel Kuntzsch
	517-484-4954
	rkuntzsch@publicsectorconsultants.com
	CV0028274

STATE			
	Program Manager	Jessica Thomas	TREA
		517-335-1215	
		Thomasj45@michigan.gov	
	Contract Administrator	Jordana Sager	DTMB
		(517) 896-1903	
		sagerj2@michigan.gov	

CONTRACT SUMMARY

CONSULTANT SERVICES FOR SCHOOLS AND LOCAL UNITS OF GOVERNMENT – PREQUALIFIED CONTRACT

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
June 1, 2022	May 31, 2025	2 - 1 Year	May 31, 2025

PAYMENT TERMS	DELIVERY TIMEFRAME
	N/A

ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-Card	☐ PRC	☐ Other	☒ Yes	☐ No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		N/A

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$20,000.00	$0.00	$20,000.00

DESCRIPTION

Effective 1/18/2023, the Contract Administrator has been changed to Jordana Sager:

Jordana Sager
SagerJ2@michigan.gov
517.896.1903

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
320 S. Walnut St., Lansing, Michigan 48909
PO Box 30026, Lansing Michigan 48933

NOTICE OF CONTRACT

NOTICE OF CONTRACT NO. **220000001022**
between
THE STATE OF MICHIGAN
and

CONTRACTOR	
	Public Sector Consultants, Inc.
	230 N. Washington Square, Ste. 300
	Lansing, MI 48933
	Rachel Kuntzsch
	517-484-4954
	rkuntzsch@publicsectorconsultants.com
	CV0028274

STATE			
	Program Manager	Jessica Thomas	Treasury
		517-335-1215	
		Thomasj45@michigan.gov	
	Contract Administrator	Courtney Powell	DTMB
		517-249-0452	
		Powellc11@michigan.gov	

CONTRACT SUMMARY			
DESCRIPTION: Consultant Services for Schools and Local Units of Government – Prequalified Contract			
INITIAL EFFECTIVE DATE	**INITIAL EXPIRATION DATE**	**INITIAL AVAILABLE OPTIONS**	**EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW**
June 1, 2022	May 31, 2025	2 – 1 Year	N/A
PAYMENT TERMS		**DELIVERY TIMEFRAME**	
Net 45		N/A	
ALTERNATE PAYMENT OPTIONS			**EXTENDED PURCHASING**
☐ P-card ☐ Payment Request (PRC) ☐ Other			☒ Yes ☐ 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 solicitation number 220000000841. Orders for delivery will be issued directly by the Department through a Delivery Order (DO).			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			**$20,000.00**

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 Public Sector Consultants, Inc. ("**Contractor**"), a Michigan corporation. This Contract is effective on June 1, 2022 ("**Effective Date**"), and unless terminated, expires on May 31, 2025.

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

The parties agree as follows:

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

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

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

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

2. **Notices.** All notices and other communications required or permitted under this Contract must be in writing and will be considered given and received: (a) when verified by written receipt if sent by courier; (b) when actually received if

sent by mail without verification of receipt; or (c) when verified by automated receipt or electronic logs if sent by facsimile or email.

If to State:	If to Contractor:
Courtney Powell **320 S. Walnut St** **Lansing, MI 48933** **powellc11@michigan.gov** **517-249-0452**	**Rachel Kuntzsch** **President** **230 N. Washington Square, Ste. 300** **Lansing, MI 48933** **rkuntzsch@publicsectorconsultants.com** **517-484-4954**

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

State:	Contractor:
Courtney Powell **320 S. Walnut St** **Lansing, MI 48933** **powellc11@michigan.gov** **517-249-0452**	**Rachel Kuntzsch** **President** **230 N. Washington Square, Ste. 300** **Lansing, MI 48933** **rkuntzsch@publicsectorconsultants.com** **517-484-4954**

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

State:	Contractor:
Jessica Thomas **430 W Allegan St** **Lansing MI 48933** **Thomasj45@michigan.gov** **517-335-1215**	**Tim Dempsey** **Vice President** **230 N. Washington Square, Ste. 300** **Lansing, MI 48933** **tdempsey@publicsectorconsultants.com** **517-484-4954**

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

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

Required Limits	Additional Requirements
Commercial General Liability Insurance	
Minimum Limits: $1,000,000 Each Occurrence $1,000,000 Personal & Advertising Injury $2,000,000 Products/Completed Operations $2,000,000 General Aggregate	Contractor must have their policy endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds using endorsement CG 20 10 11 85, or both CG 20 10 12 19 and CG 20 37 12 19.
Automobile Liability Insurance	
Minimum Limits: $1,000,000 Per Accident	Contractor must have their policy: (1) endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds; and (2) include Hired and Non-Owned Automobile coverage.
Workers' Compensation Insurance	
Minimum Limits: Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
Employers Liability Insurance	
Minimum Limits: $500,000 Each Accident $500,000 Each Employee by Disease $500,000 Aggregate Disease	
Professional Liability (Errors and Omissions) Insurance	
Minimum Limits: $3,000,000 Each Occurrence $3,000,000 Annual Aggregate	

Required Limits	Additional Requirements

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

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

This Section is not intended to and is not 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).

7. **Administrative Fee and Reporting.** Contractor must pay an administrative fee of 0.05% with a $5,000 cap per project 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 online by check or credit card at: https://www.thepayplace.com/mi/dtmb/adminfee

   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.

8. **Extended Purchasing Program.** This contract is extended to MiDEAL members. MiDEAL members include local units of government, school districts, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is available at www.michigan.gov/mideal.

   Upon written agreement between the State and Contractor, this contract may also be extended to: (a) other states (including governmental subdivisions and authorized entities) and (b) State of Michigan employees.

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

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

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

   Contractor hereby acknowledges that the State is and will be the sole and exclusive owner of all right, title, and interest in the Contract Activities and all associated intellectual property rights, if any. Such Contract Activities are works made for hire as defined in Section 101 of the Copyright Act of 1976. To the extent any Contract Activities and related intellectual property do not qualify as works made for hire under the Copyright Act, Contractor will, and hereby does, immediately on its creation, assign, transfer and otherwise convey to the State, irrevocably and in perpetuity, throughout the universe, all right, title and interest in and to the Contract Activities, including all intellectual property rights therein.

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

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

12. **Background Checks.** 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, or as may be specified in Schedule A, Contractor must perform background checks on all employees and subcontractors and its employees prior to their assignment. The scope is at the discretion of the State and documentation must be provided as requested. Contractor is responsible for all costs associated with the requested background checks. The State, in its sole discretion, may also perform background checks.

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

14. **Change of Control.** Contractor will notify 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.

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

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

    Within 10 business days from the date of Contractor's receipt of notification of acceptance with deficiencies or rejection of any Contract Activities, Contractor must cure, at no additional cost, the deficiency and deliver unequivocally

acceptable Contract Activities to the State. If acceptance with deficiencies or rejection of the Contract Activities impacts the content or delivery of other non-completed Contract Activities, the parties' respective Program Managers must determine an agreed to number of days for re-submission that minimizes the overall impact to the Contract. However, nothing herein affects, alters, or relieves Contractor of its obligations to correct deficiencies in accordance with the time response standards set forth in this Contract.

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

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

18. **Risk of Loss and Title.** Until final acceptance, title and risk of loss or damage to Contract Activities remains with Contractor. Contractor is responsible for filing, processing, and collecting all damage claims. The State will record and report to Contractor any evidence of visible damage. If the State rejects the Contract Activities, Contractor must remove them from the premises within 10 calendar days after notification of rejection. The risk of loss of rejected or non-conforming Contract Activities remains with Contractor. Rejected Contract Activities not removed by Contractor within 10 calendar days will be deemed abandoned by Contractor, and the State will have the right to dispose of it as its own property. Contractor must reimburse the State for costs and expenses incurred in storing or effecting removal or disposition of rejected Contract Activities.

19. **Warranty Period.** The warranty period, if applicable, for Contract Activities is a fixed period commencing on the date specified in Schedule A. If the Contract Activities do not function as warranted during the warranty period, the State may return such non-conforming Contract Activities to the Contractor for a full refund.

20. **Terms of Payment.** Invoices must conform to the requirements communicated from time-to-time by the State. All undisputed amounts are payable within 45 days of the State's receipt. Contractor may only charge for Contract Activities performed as specified in 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.

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.

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

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

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

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

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

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

25. **Transition Responsibilities.** Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed **90** calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.

26. **General Indemnification.** Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to: (a) any breach by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations,

warranties, or insurance requirements contained in this Contract; (b) any infringement, misappropriation, or other violation of any intellectual property right or other right of any third party; (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and (d) any acts or omissions of Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

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

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

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

27. **Infringement Remedies.** If, in either party's opinion, any piece of equipment, software, commodity, or service supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment, software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

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

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

30. **Reserved.**

31. **State Data.**

    a. **Ownership**. The State's data ("**State Data**," which will be treated by Contractor as Confidential Information) includes: (a) the State's data collected, used, processed, stored, or generated as the result of the Contract Activities; (b) personally identifiable information ("**PII**") collected, used, processed, stored, or generated as the result of the Contract Activities, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements here listed; and, (c) personal health information ("**PHI**") collected, used, processed, stored, or generated as the result of the Contract Activities, which is defined under the Health Insurance Portability and Accountability Act (HIPAA) and its related rules and regulations. State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State. This Section survives the termination of this Contract.

    b. **Contractor Use of State Data**. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Contract Activities, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Contract Activities. Contractor must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Contract Activities, such use and disclosure being in accordance with this Contract, any applicable Statement of Work, and applicable law; and (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor's own purposes or for the benefit of anyone other than the State without the State's prior written consent. This Section survives the termination of this Contract.

c. **Extraction of State Data**. Contractor must, within five (5) business days of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Contractor), an extract of the State Data in the format specified by the State.

d. **Backup and Recovery of State Data**. Unless otherwise specified in 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.

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 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 31** 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**. 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.

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

a. **Meaning of Confidential Information**. For the purposes of this Contract, the term "**Confidential Information**" means all information and documentation of a party that: (a) has been marked "confidential" or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked "confidential" or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked "confidential" or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term "Confidential Information" does not include any information or documentation that was: (a) subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party's proprietary rights; (d) obtained

from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). For purposes of this Contract, in all cases and for all matters, State Data is deemed to be Confidential Information.

b. **Obligation of Confidentiality**. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to a subcontractor is permissible where: (a) use of a subcontractor is authorized under this Contract; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the subcontractor's responsibilities; and (c) Contractor obligates the subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor or any subcontractor may be required to execute a separate agreement to be bound by the provisions of this Section.

c. **Cooperation to Prevent Disclosure of Confidential Information**. Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.

d. **Remedies for Breach of Obligation of Confidentiality**. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Contract or any Statement of Work corresponding to the breach or threatened breach.

e. **Surrender of Confidential Information upon Termination**. Upon termination of this Contract or a Statement of Work, in whole or in part, each party must, within 5 calendar days from the date of termination, return

to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Contract. Should Contractor or the State determine that the return of any Confidential Information is not feasible, such party must destroy the Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party. However, the State's legal ability to destroy Contractor data may be restricted by its retention and disposal schedule, in which case Contractor's Confidential Information will be destroyed after the retention period expires.

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

a. **Undertaking by Contractor**. Without limiting Contractor's obligation of confidentiality as further described, Contractor is responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of the State Data; (b) protect against any anticipated threats or hazards to the security or integrity of the State Data; (c) protect against unauthorized disclosure, access to, or use of the State Data; (d) ensure the proper disposal of State Data; and (e) ensure that all employees, agents, and subcontractors of Contractor, if any, comply with all of the foregoing. In no case will the safeguards of Contractor's data privacy and information security program be less stringent than the safeguards used by the State, and Contractor must at all times comply with all applicable State IT policies and standards, which are available to Contractor upon request.

b. **Audit by Contractor**. No less than annually, Contractor must conduct a comprehensive independent third-party audit of its data privacy and information security program and provide such audit findings to the State.

c. **Right of Audit by the State.** Without limiting any other audit rights of the State, the State has the right to review Contractor's data privacy and information security program prior to the commencement of Contract Activities and from time to time during the term of this Contract. During the providing of the Contract Activities, on an ongoing basis from time to time and without notice, the State, at its own expense, is entitled to perform, or to have performed, an on-site audit of Contractor's data privacy and information security program. In lieu of an on-site audit, upon request by the State, Contractor agrees to complete, within 45 calendar days of receipt, an audit questionnaire provided by the State regarding Contractor's data privacy and information security program.

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

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

34. **Reserved.**

35. **Reserved.**

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

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

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

37. **Warranties and Representations.** Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (c) the Contract Activities will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) Contractor must assign or otherwise transfer to the State or its designee any manufacturer's warranty for the Contract Activities; (e) the Contract Activities are merchantable and fit for the specific purposes identified in the Contract; (f) the Contract signatory has the authority to enter into this Contract; (g) all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information, and Contractor will

inform the State of any material adverse changes;(h) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading; and that (i) Contractor is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under Section 23, Termination for Cause.

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

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

40. **Reserved.**

41. **Reserved.**

42. **Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq*., 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 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.

43. **Unfair Labor Practice.** Under MCL 423.324, the State may void any Contract with a Contractor or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.

44. **Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must

be resolved in Michigan Court of Claims. Contractor consents to venue in Ingham County, and waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint agents in Michigan to receive service of process.

45. **Non-Exclusivity.** Nothing contained in this Contract is intended nor will be construed as creating any requirements contract with Contractor. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Contract Activities from other sources.

46. **Force Majeure.** Neither party will be in breach of this Contract because of any failure arising from any disaster or acts of god that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Contractor will not be relieved of a breach or delay caused by its subcontractors. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.

47. **Dispute Resolution.** The parties will endeavor to resolve any Contract dispute in accordance with this provision. The dispute will be referred to the parties' respective Contract Administrators or Program Managers. Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute to a senior executive if unable to resolve the dispute within 15 business days. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.

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

48. **Media Releases.** News releases (including promotional literature and commercial advertisements) pertaining to the Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions of the State.

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

50. **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
EXHIBIT 1	SECURITY REQUIREMENTS VERSION 6.1

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

52. **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.

53. **Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.

54. **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.

55. **Contract Modification.** This Contract may not be amended except by signed agreement between the parties (a "**Contract Change Notice**"). Notwithstanding the foregoing, no subsequent Statement of Work or Contract Change Notice executed after the Effective Date will be construed to amend this Contract unless it specifically states its intent to do so and cites the section or sections amended.

EXHIBIT 1 – SECURITY REQUIREMENTS 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. If requested by the PM, 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.

The Contractor must make the Department of Treasury (Treasury) aware when utilizing any cloud-based solution. Treasury must approve the use of any cloud-based solution and the solution must be FISMA compliant and FedRAMP certified, with enabled continuous monitoring.

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, <u>including, but not limited to</u> 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 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:

   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.

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.

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.

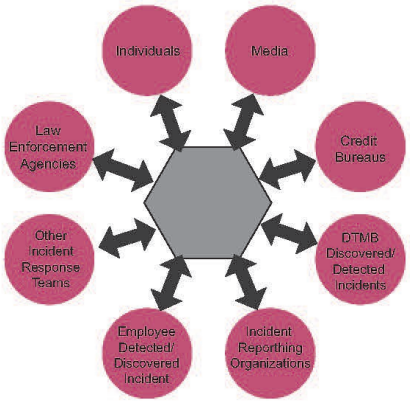
10. Finalize Form 4000* and submit it to the Department of Treasury, Office of Privacy and Security.

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.

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?

☐ Treasury ☐ Federal Tax Information ☐ Other State Agency, specify _____ ☐ Other _____

Incident Category (select all that apply)

☐ Passwords Shared/Stolen	☐ Computer Virus/Spam	☐ Paper Archives Compromised
☐ Misrouted Communications	☐ Data Destruction/Deletion	☐ Safe/Lockbox/other Compromise
☐ Unauthorized Access	☐ Backups Missing or Stolen	☐ Delivery of Documents Lost
☐ Fraudulent Actions	☐ Hacking of Networks/Systems	☐ Inappropriate Destruction Paper
☐ Lost/Stolen Information/Data	☐ Improperly Secured Sys/Web	☐ Inappropriate Destruction Media
☐ Lost/Stolen Cash/Checks	☐ Circumvention of Security Protocols	☐ Lost/Stolen Equipment
☐ Inappropriate Building Access	☐ _____	☐ _____

Incident Affects

☐ Financial Information/Resources	☐ Personal Information (SSN, Driver License No. Financial Information)	☐ Unauthorized/Unlawful Activity
☐ Confidential/Sensitive Information	☐ Human Resources (threat)	☐ 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)? ☐ Yes ☐ No

Date of Initial Report

Description of Incident

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

Contract No. 220000001022

Capital Improvement Plans / Architectural Services, School Financial Advisory Services - Operational, Academic Advisory Services, Project Consultants, Engineering, Planning Services, Administration/Management, Grant Administration, Pension/OPEB Analysis for School Districts and Local Units of Government

BACKGROUND

The Michigan Department of Treasury (Treasury) is seeking to engage education and municipal consultants that specialize in providing services to school districts and governments in the State of Michigan for the long-term fiscal health and stability of our state. This is a prequalification program allowing State agencies and MiDEAL members to contract for education and municipal consulting services on a fast-track, as-needed basis.

Contractor will provide direct services to school districts and municipalities or the Department of Treasury as needed.

SCOPE

The Bureau of Local Governments and School Services is seeking to provide technical and administrative support for improvements in financial management in local governments and school districts in Michigan pursuant to legislation. Contractors may be asked to provide municipal and educational consulting services. Services may include, but are not limited to, the following:

1. **General Requirements**

   A. **Municipal Advisory Services**

      a. Planning (e.g., capital improvement planning programs, economic development planning, downtown development and tax increment finance related services and corridor, transportation and housing analyses services.)
      b. Management/Administration (e.g., human resources services and training.)
      c. Project Coordination (e.g., strategic planning, regional coordination, project applications and management, grant management and reporting, formulating long-term plans for communities to adjust to changing demographics and economic activity, engaging in community input for projects, and addressing needs in large scale disruption caused by facility closures.)

d. Grant Administration (e.g. grant funding administration, reporting requirements, and procedures to ensure compliance with grantor requirements)
e. Reviews would include showing trends, risks, options for changes, and estimated cost and savings changes.

2. Acceptance

2.1. Acceptance and Final Acceptance

Acceptance and Final Acceptance will be specified per the individual project Statements of Work and detailed in the respective change notices.

3. Staffing

3.1. Contractor Representative

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

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

Contract Representative:

Tim Dempsey

Vice President

230 N. Washington Square, Ste. 300

Lansing, MI 48933

tdempsey@publicsectorconsultants.com

517-484-4954

3.2. Work Hours

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

3.3. Key Personnel- Contract

1. The Contractor must appoint one individual who will be directly responsible for the overall operation 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 inquires within 24 hours.

a. Name and title of staff that will be designated as Key Personnel.
b. Key Personnel years of experience in the current classification.
c. Identify which of the required key personnel positions they are fulfilling.
d. Key Personnel's roles and responsibilities, as they relate to this RFP, if the Contractor is successful in being awarded the Contract. Descriptions of roles should be functional and not just by title.
e. Identify if each Key Personnel is a direct, subcontract, or contract employee.
f. Identify if each Key Personnel staff member is employed full-time (FT), part-time (PT) or temporary (T), including consultants used for the purpose of providing information for the proposal.
g. List each Key Personnel staff member's length of employment or affiliation with the Contractor's organization.
h. Identify each Key Personnel's percentage of work time devoted to this Contract.
i. Identify where each Key Personnel staff member will be physically located (city and state) during the Contract performance.
j. The Contractor must provide detailed, chronological resumes of all proposed Key Personnel, including a description of their work experience relevant to their purposed role as it relates to the SOW.
k. Qualifications will be measured by education and experience with particular reference to experience on projects similar to that described in the SOW.

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

3. 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"):

4. For each Unauthorized Removal of any Key Personnel designated in an applicable Statement of Work, the credit amount will be $5,000.00 per individual if Contractor identifies a replacement approved by the State and assigns the replacement to shadow the Key Personnel who is leaving for a period of at least 30-calendar days before the Key Personnel's removal.

5. If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30-calendar days, in addition to the $5,000.00 credit specified above, Contractor will credit the State $100.00 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 $3000.00 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 $8,000.00 per individual.

6. 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.

1. Name	2. Role(s) / Responsibilities	3. Direct / Subcontract/ Contract	4. Physical Location
Tim Dempsey, Vice President	Project Executive and Project Manager: Tim will be PSC's primary contact with the State and be project manager for various projects. He will be responsible for oversight of key project deliverables.	Direct, FT	Lansing, MI

3.4. Key Personnel – Statement of Work

1. With each individual statement of work, the Contractor must identify the Key Personnel, indicate where they will be physically located, describe the functions they will perform, and provide current chronological résumés. For purposes of this RFP, Contractor shall provide proposed Key Personnel information based on anticipated activities.
    a. Name and title of staff that will be designated as Key Personnel.
    b. Key Personnel years of experience in the current classification.
    c. Identify which of the required key personnel positions they are fulfilling.
    d. Key Personnel's roles and responsibilities, as they relate to this RFP, if the Contractor is successful in being awarded the Contract. Descriptions of roles should be functional and not just by title.
    e. Identify if each Key Personnel is a direct, subcontract, or contract employee.
    f. Identify if each Key Personnel staff member is employed full-time (FT), part-time (PT) or temporary (T), including consultants used for the purpose of providing information for the proposal.
    g. List each Key Personnel staff member's length of employment or affiliation with the Contractor's organization.

h. Identify each Key Personnel's percentage of work time devoted to this Contract.
i. Identify where each Key Personnel staff member will be physically located (city and state) during the Contract performance.
j. The Contractor must provide detailed, chronological resumes of all proposed Key Personnel, including a description of their work experience relevant to their purposed role as it relates to the SOW.
k. Qualifications will be measured by education and experience with particular reference to experience on projects similar to that described in the SOW.

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

3. 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"):

4. For each Unauthorized Removal of any Key Personnel designated in an applicable Statement of Work, the credit amount will be $5,000.00 per individual if Contractor identifies a replacement approved by the State and assigns the replacement to shadow the Key Personnel who is leaving for a period of at least 30-calendar days before the Key Personnel's removal.

5. If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30-calendar days, in addition to the $5,000.00 credit specified above, Contractor will credit the State $100.00 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 $3000.00 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 $8,000.00 per individual.

6. 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.

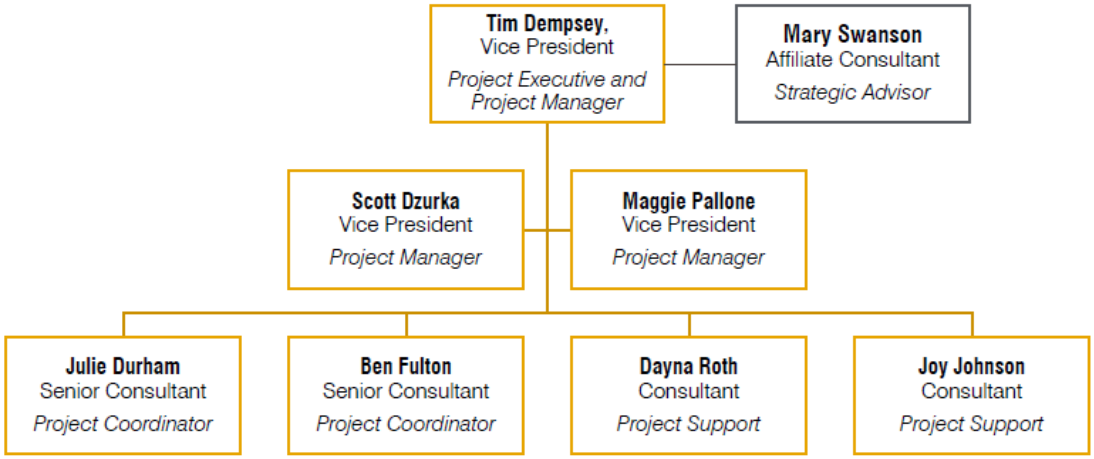
1. Name	3. Role(s) / Responsibilities	4. Direct / Subcontract/ Contract	6. Physical Location
Tim Dempsey, Vice President	Project Executive and Project Manager: Tim will be PSC's primary contact with the State and be project manager for various projects. He will be responsible for oversight of key project deliverables.	Direct, FT	Lansing, MI
Scott Dzurka, Vice President	Project Manager: Scott will lead key projects depending on the nature and scope of work. His work will include oversight of key project deliverables.	Direct, FT	Lansing, MI
Maggie Pallone, Vice President	Project Manager: Maggie will lead key projects depending on the nature and scope of work. His work will include oversight of key project deliverables.	Direct, FT	Lansing, MI
Julie Durham, Senior Consultant	Project Coordinator: Julie will handle key project tasks related to research, facilitation, data analysis, and report writing.	Direct, FT	Lansing, MI
Ben Fulton, Senior Consultant	Project Coordinator: Ben will handle key project tasks related to research, facilitation, data analysis, and report writing.	Direct, FT	Denver, CO
Ann Erhardt, Senior Consultant	Project Coordinator: Ann will handle key project tasks related to research, facilitation, data	Direct, FT	Lansing, MI

1. Name	3. Role(s) / Responsibilities	4. Direct / Subcontract/ Contract	6. Physical Location
	analysis, and report writing.		
Dayna Roth, Consultant	Project Support: Dayna will support project coordinators, managers, and leads with research, facilitation, data analysis, and report writing.	Direct, FT	Lansing, MI
Joy Johnson, Consultant	Project Support: Joy will support project coordinators, managers, and leads with research, facilitation, data analysis, and report writing.	Direct, FT	Lansing, MI
Mary Swanson, Affiliated Consultant	Strategic Advisor: Mary will be a subject matter expert of local government issues and provide strategic direction and advisory services on an as needed basis.	Subcontractor	Grand Rapids, MI

3.5. Organizational Chart

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

Contractor's Organization Chart:



3.6. Disclosure of Subcontractors

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

- The legal business name; address; telephone number; a description of subcontractor's organization and the services it will provide; and information concerning subcontractor's ability to provide the Contract Activities.
- The relationship of the subcontractor to the Contractor.
- Whether the Contractor has a previous working experience with the subcontractor. If yes, provide the details of that previous relationship.
- A complete description of the Contract Activities that will be performed or provided by the subcontractor.

Contractor's Subcontractor:	
The legal business name, address, telephone number of the subcontractor(s).	Mary Swanson
A complete description of the Contract Activities that will be performed or provided by the subcontractor.	The subcontractor will support PSC with strategic guidance on management, project coordination, and grants management work. This will include reviewing various municipal regulatory frameworks, proposing project approaches, and writing analyses as needed.

3.7. Security

The Contractor will be subject to the following security procedures:

Background Checks

a. Contractor must perform background checks on all employees and subcontractors and its employees prior to their assignment as per requirements listed in Section 380.1230g in PA 451 of 1976 as amended. Documentation must be provided upon request to the State. Contractor is responsible for all costs associated with the processing of the background checks.

b. The State reserves the right to request additional background checks at the discretion of state agencies or branches of state government as outlined in the Standard Contract Terms document.

c. The Contract is contingent upon the Contractor's ability to supply workers capable of passing a criminal background check.

d. The Contractor shall ensure background checks and drug testing requirements of sub-contractor employees are conducted as if the workers were the Contractor's employees when engaged in State projects.

e. The Contractor must follow any and all additional safety and/or security procedures as dictated by the State or school district involved with any SOW.

4. Project Management

4.1. Project Plan

A. Unless otherwise specified in the SOW, within five business day of the award of any SOW, the Contractor must submit, for final approval, a detailed project plan to the Program Manager. The final Project Plan must be in agreement with the Contractor's SOW proposal and accepted by the State. Detailed requirements will be outlined in the SOW but should identify items such as the required personnel; project management process; project breakdown identifying sub-projects, tasks, and resources required; expected frequency and mechanisms for updates/progress reviews; process for addressing issues/changes; and individuals responsible for receiving/reacting to the requested information, and the Contractor's organizational chart with names and title of personnel assigned to the project, which must align with the staffing stated as outlined in the Contract. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.

4.2. Meetings

The State may request meetings, as it deems and as determined by individual SOWs. The Contractor shall make every effort to accommodate such meeting requests.

4.3. Reporting

The Contractor must submit, to the Program Manager, written reports as specified in the SOW. The Contractor must explain its reporting capabilities:

5. Pricing

5.1. Price Term

Pricing is firm for the entire length of the Contract.

5.2. 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.

6. Ordering

6.1. Authorizing Document

The appropriate authorizing document for the Contract will be a Delivery Order (DO) issued through the State of Michigan SIGMA system.

7. Invoice and Payment

7.1. Invoice Requirements

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

7.2. Payment Methods

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

8. Transition

End of Contract Data Conversion Responsibility: At the expiration or termination of this Contract, the Contractor must work with the State to ensure the transitional and operational continuity of the services under this Contract. The Contractor agrees to assist the State for a reasonable period of time that in no event will exceed 90 days after the expiration or termination date of this Contract and to assign key personnel as needed to assist in the transition.

9. Liquidated Damages

Late or improper completion of the Contract Activities will cause loss and damage to the State and it would be impracticable and extremely difficult to fix the actual damage sustained by the State. Therefore, if there is late or improper completion of the Contract Activities the State is entitled to collect liquidated damages in the amount of $500 and an additional $25 per day for each day Contractor fails to remedy the late or improper completion of the Work in Schedule A and SOW requirements.

SCHEDULE B - PRICING

Contract No. 220000001022
Capital Improvement Plans, Architectural Services, School Financial Advisory Services - Operational, Academic Advisory Services and Project Consultant Services for Schools and Local Units of Government

1. Price proposals include all costs, including but not limited to, any one-time or set-up charges, fees, and potential costs that Contractor may charge the State (e.g., shipping and handling, per piece pricing, and palletizing).
2. Pricing Table:

Pricing Table		
Staff Member Position Title *As identified in Schedule A – Section 3 - Staffing*	**Staff Member Resource Name**	**Base Years Hourly Rate** *List the Not to Exceed Hourly Rate*
A. Vice President	Tim Dempsey	$280
B. Vice President	Scott Dzurka	$280
C. Vice President	Maggie Pallone	$280
D. Senior Consultant	Julie Durham	$175
E. Senior Consultant	Ben Fulton	$175
F. Senior Consultant	Ann Erhardt	$175
G. Consultant	Dayna Roth	$120
H. Consultant	Joy Johnson	$120
I. Affiliated Consultant (subcontractor)	Mary Swanson	$175