

**STATE OF MICHIGAN**  
**DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET**  
**PROCUREMENT**

525 W. ALLEGAN STREET  
 LANSING, MI 48933

P.O. BOX 30026  
 LANSING, MI 48909

**CHANGE NOTICE NO. 002**  
 to  
**CONTRACT NO. 511B3200025**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Superior Rehabilitation & Professional Services LLC 1310 Front Street Marquette, MI 49855	David Aro	daro@srpsup.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	906-273-1517 office 906-273-1519 fax	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DMVA, DJJHV	Tina Lynch	906-226-3576 x 314	lyncht@michigan.gov
CONTRACT ADMINISTRATOR	DMVA	Kimberly Graham, Buyer Manager	517-481-7644	graham@michigan.gov
	DMVA, DJJHV	Susan Belfry Mellon, Buyer	906-226-3576 x 351	mellons@michigan.gov

CONTRACT SUMMARY			
<b>DESCRIPTION:</b> OCCUPATIONAL, PHYSICAL, AND SPEECH THERAPY SERVICES FOR DMVA, D. J. JACOBETTI HOME FOR VETERANS.			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
April 1, 2013	March 31, 2016	Two -(1) year	March 31, 2016
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input checked="" type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input checked="" type="checkbox"/>	1 year	March 31, 2017
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$308,073.00		\$54,266.50	\$362,339.50	
<b>DESCRIPTION:</b> Extension option (1 of 2 available)				

**FOR THE CONTRACTOR:**

**Superior Rehabilitation & Professional Services, LLC**

\_\_\_\_\_  
Company Name

David Aro

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

David B. Aro  
\_\_\_\_\_  
Authorized Agent (Print or Type)

1-28-16  
\_\_\_\_\_  
Date

**FOR THE STATE:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Brad Slagle, C. O. O.  
Name & Title

**Department of Military and Veterans Affairs,  
D. J. Jacobetti Home for Veterans**

\_\_\_\_\_  
Agency

2/1/16  
\_\_\_\_\_  
Date



**ORIGINAL**

STATE OF MICHIGAN  
 DEPARTMENT OF MILITARY AND VETERANS AFFAIRS  
 STATE OPERATIONS – PURCHASING & CONTRACTS  
 RESERVE FORCES SUPPORT CENTER, SUITE 320  
 LANSING, MI 48906

**NOTICE OF CONTRACT NO. 511B3200025**  
 between  
**THE STATE OF MICHIGAN**  
 and

<b>NAME &amp; ADDRESS OF CONTRACTOR:</b>		<b>PRIMARY CONTACT</b>	<b>EMAIL</b>
<b>Superior Rehabilitation &amp; Professional Services LLC</b>		<b>David Aro</b>	<b><u>daro@srpsup.com</u></b>
<b>1310 Front Street</b>		<b>TELEPHONE</b>	<b>CONTRACTOR #, MAIL CODE</b>
<b>Marquette, MI 49855</b>		<b>906-273-1517 Office</b> <b>906-273-1519 Fax</b>	
<b>STATE CONTACTS</b>	<b>AGENCY</b>	<b>NAME</b>	<b>PHONE</b>
<b>CONTRACT COMPLIANCE INSPECTOR:</b>	<b>DMVA, DJJHV</b>	<b>Tina Lynch</b>	<b>906-226-3576</b> <b>ext 314</b>
<b>BUYER MANAGER:</b>	<b>DMVA</b>	<b>Kimberly Graham</b>	<b>517-481-7644</b>
<b>EMAIL</b>			
<b><u>lyncht@michigan.gov</u></b>			
<b><u>grahamk@michigan.gov</u></b>			
<b>CONTRACT SUMMARY:</b>			
<b>DESCRIPTION: PHYSICAL AND OCCUPATIONAL THERAPY SERVICES</b>			
<b>DEPARTMENT OF MILITARY AND VETERANS AFFAIRS, D. J. JACOBETTI HOME FOR VETERANS</b>			
<b>INITIAL TERM</b>	<b>EFFECTIVE DATE</b>	<b>INITIAL EXPIRATION DATE</b>	<b>AVAILABLE OPTIONS</b>
<b>Three (3) Years</b>	<b>April 1, 2013</b>	<b>March 31, 2016</b>	<b>Two (2) Year Extension Option</b>
<b>PAYMENT TERMS</b>	<b>F.O.B</b>	<b>SHIPPED</b>	<b>SHIPPED FROM</b>
<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>MINIMUM DELIVERY REQUIREMENTS:</b>			
<b>N/A</b>			
<b>MISCELLANEOUS INFORMATION:</b>			
<b>The terms and conditions of this Contract are those of proposal dated January 31, 2013 and this Contract Agreement. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.</b>			
<b>ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:</b>		<b>\$283,293.00</b>	

**THIS IS NOT AN ORDER:** This Contractual Agreement is awarded on the basis of proposal dated January 31, 2013. Orders for delivery will be issued directly by the State of Michigan, Department of Military and Veterans Affairs, D. J. Jacobetti Home for Veterans through the issuance of a Purchase Order Form.

All specifications, deliverables, terms and conditions of the proposal submission are made a part hereof.



ORIGINAL

FOR THE CONTRACTOR:

**Superior Rehabilitation & Professional  
Services LLC**

Firm Name

*[Handwritten Signature]*

Authorized Agent Signature

**David Aro**

Authorized Agent (Print or Type)

*4/1/13*

Date

FOR THE STATE:

*[Handwritten Signature]*

Signature

**Bradford Slagle,  
Director/Administrator**

Name/Title

**Department of Military & Veterans Affairs**

**D. J. Jacobetti Home for Veterans**

Enter Name of Agency

*4/1/13*

Date



**STATE OF MICHIGAN**  
**Department of Military and Veterans Affairs**  
**State Operations - Purchasing & Contracts**



**D. J. Jacobetti Home for Veterans**  
**420 Fisher Street**  
**Marquette, MI 49855**

**Contract #511B3200025**  
**Physical and Occupational Therapy Services**

Buyer Name: Kimberly Graham, Buyer Manager  
Telephone Number: (517) 481-7643 – Fax: (517) 481-7644  
email: [Grahamk@michigan.gov](mailto:Grahamk@michigan.gov)  
DJJHV Buyer Susan Belfry-Mellon  
Telephone Number: (906) 226-3576 Ext 351  
email: [mellons@michigan.gov](mailto:mellons@michigan.gov)

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ATTACHMENT B – Business Associate Addendum

ATTACHMENT C – DJJHV Bloodborne Infectious Diseases Policy

ATTACHMENT D - DJJHV Member Protected Health Information Confidentiality Policy

ATTACHMENT E – Sample DJJHV Contractor Monthly Time Tracking Form

ATTACHMENT F - DJJHV Policy on Background Checks

ATTACHMENT G - DJJHV Computer End User Agreement Policy & SOM Policy

Attachment H - Bidders Original Response to RFP

## DEFINITIONS

**24x7x365** means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).

**Additional Service** means any Services within the scope of the Contract, but not specifically provided under any Statement of Work.

**Audit Period** means the seven year period following Contractor's provision of any work under the Contract.

**Bidder(s)** are those companies that submit a proposal in response to this RFP.

**Business Day** means any day other than a Saturday, Sunday or State-recognized legal holiday from 8:00am EST through 5:00pm EST unless otherwise stated.

**Blanket Purchase Order** is an alternate term for Contract and is used in the Plan Sponsors' computer system.

**CCI** means Contract Compliance Inspector.

**Days** means calendar days unless otherwise specified.

**Deleted – N/A** means that section is not applicable or included in this RFP. This is used as a placeholder to maintain consistent numbering.

**Deliverable** means physical goods and/or services required or identified in a Statement of Work.

**DMVA** means the Michigan Department of Military and Veterans Affairs.

**DJJHV** means the D. J. Jacobetti Home for Veterans.

**DTMB** means the Michigan Department of Technology Management and Budget.

**Environmentally Preferable Products** means a product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to: those which contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.

**Hazardous Material** means any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).

**Incident** means any interruption in any function performed for the benefit of a Plan Sponsor.

**Key Personnel** means any personnel identified in **Section 1.031** as Key Personnel.

**Member** means the patient and/or resident of the D. J. Jacobetti Home for Veterans receiving therapy care under this contractual agreement.

**New Work** means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, such that once added will result in the need to provide the Contractor with additional consideration. "New Work" does not include Additional Service.

**Ozone-depleting Substance** means any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydrochlorofluorocarbons.

**Post-Consumer Waste** means any product generated by a business or consumer which has served its intended end use; and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.

**Post-Industrial Waste** means industrial by-products which would otherwise go to disposal and wastes generated after completion of a manufacturing process, but does not include internally generated scrap commonly returned to industrial or manufacturing processes.

**Recycling** means the series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.

**Reuse** means using a product or component of municipal solid waste in its original form more than once.

**RFP** means a Request for Proposal designed to solicit proposals for services.

**Services** means any function performed for the benefit of the State.

**SLA** means Service Level Agreement.

**Source Reduction** means any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.

**State Location** means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.

**Subcontractor** means a company selected by the Contractor to perform a portion of the Services, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.

**Therapy** means any function of the services provided under this contractual agreement as described in Article 1.

**Unauthorized Removal** means the Contractor's removal of Key Personnel without the prior written consent of the State.

**Waste Prevention** means source reduction and reuse, but not recycling.

**Pollution Prevention** means the practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.

**Work in Progress** means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

**Work Product** refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by the Contract.

**Article 1 – Statement of Work (SOW)****1.010 Project Identification****1.011 Project Request**

This is a contract for Physical and Occupational Therapy Services for residents of the Department of Military and Veterans Affairs (DMVA), D. J. Jacobetti Home for Veterans (DJJHV) located at 425 Fisher Street in Marquette, Michigan.

The contractor will provide contractual Physical and Occupational Therapy Services to the residents/members of the DJJHV. The contractor/provider(s) shall maintain all federal, state and local licenses, registration and certifications necessary to provide the required services. All services provided under this contractual agreement will be under the direction of the DJJHV medical staff as listed in Section II.

To facilitate best practice standards, the DJJHV will utilize a single contractor to meet these requirements. The contractor and its employees providing services must meet and/or exceed full compliance with all local, state, and federal laws and regulations as they pertain to the requirements of this contract.

**Subcontracting will not be allowed under this contractual agreement.**

**1.012 Background**

The DJJHV provides medical and assistive long term care to Veterans and their dependents in a safe, home like healthcare environment 24 hours, 7 days per week. Serving over 206 members, there are 184 nursing beds and 22 domiciliary beds with nursing bed occupancy at 99.5%, the DJJHV consistently maintains a waiting list. The Residents of the home are in need of both physical and occupational therapies. All therapy must be provided by skilled physical and occupational therapists in accordance with all applicable State Nursing Home and Federal VA Rules and Regulations.

All members/residents are entitled to a maintenance or restorative program that will assist in regaining function or maintaining their current level of function. Maintenance and restorative programs will be set up by the contractor's licensed professional staff. Programs are carried out by trained DJJHV staff.

**1.020 Scope of Work and Deliverables****1.021 In Scope**

Under contractual agreement, the contractor will be required to provide Physical Therapy and Occupational Therapy services. The contractor shall complete physical assessment(s) on all new member admissions, member annual reassessments, and member reassessments as necessary in accordance with the DJJHV policies. The contractor will identify treatment plans and administer treatment in accordance with resident/member's physical and mental needs.

The contractor will exercise all duties under applicable federal and state laws, including but not limited to the following:

- Assess all members upon admission in accordance with the DJJHV admissions policies.
- Maintain a complete and timely clinical record for each member.
- Maintain liaison/contact with each member's attending physician.

**Services to be covered:**

- Skilled Physical and Occupational Therapy.
- Restorative Program – Short-Term Program set up where there is potential to increase the function with measurable goals and target date. Monitored closely by licensed staff.
- Maintenance Program – Long-Term Program with the goal of maintaining the current level of function. Monitored on a quarterly basis by licensed staff.



The contractor will provide Physical and Occupational Therapy to members whose ability to cope with tasks of living are impaired by developmental deficits, physical injury or illness, and the aging process. Physical and Occupational Therapists will identify treatment plans and administer treatment in the form of therapeutic activities graded to fit the member's physical and mental needs.

Contractor's staff will be required to maintain compliance with all professional licensing/certification requirements, Tuberculosis (TB) Control requirements, MIOSHA Standards for Bloodborne Pathogen/Infectious Diseases Control (R325.70001 through R 325.700018), all Health Insurance Portability and Accountability Act (HIPAA) of 1996 requirements, and the Patient Safety and Quality Improvement Act of 2005 requirements, and confidentiality requirements.

#### **1.022 Work and Deliverable**

Contractor must provide Deliverables/Services and licensed credentialed therapy staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

##### Physical Therapy Requirements:

1. The Contractor will provide at a minimum the following skilled physical therapy services. These services must be delivered in compliance with all applicable state nursing home and federal VA rules and regulations.
2. The Contractor will provide professional staff that are appropriately licenses and credentialed within their particular specialty area (i.e. physical therapy). Copies of licenses/registrations shall be provided with the bidder's proposal submission.
3. Physical Therapist will be directly responsible to the Contract Administrator and the Contract Compliance Inspector (CCI). Physical Therapist will meet with the CCI at least quarterly and more often if need arises.
4. Physical Therapist will participate in an orientation program presented by the DJJHV staff development coordinator.
5. Physical Therapist will adhere to all DJJHV policies and procedures with special emphasis on rehabilitation services, infection control, safety, patient rights, confidentiality and HIPAA.
6. Physical Therapist will be available on a regular schedule both in terms of date and time. Services must be provided during the hours of Monday through Friday, 8:00 am to 4:30 pm.
7. Physical Therapist will not exceed sixteen (16) hours per week on an average of fifty-two (52) weeks per year.
8. Physical Therapist will provide documentation regarding any treatment given according to the policies and procedures of DJJHV.
9. Physical Therapist will be required to provide, at no additional cost up to twelve (12) hours of in service training annually for designated DJJHV staff.
10. Physical Therapist shall not conduct personal or private business while providing services on-site at the DJJHV unless provisions for such activities/services are addressed in the contractual agreement.
11. All members/residents are entitled to a maintenance and/or restorative program that will assist in regaining function or maintaining their current level of function. Maintenance and restorative programs will be set up by licensed professional staff. Programs are carried out by trained DJJHV staff.
12. Maintenance and restorative programs must be monitored and updated by the Physical Therapist at least quarterly.
13. All members who need a physical restraint will be assessed by an interdisciplinary team. This team will consist of a licensed Physical Therapist provided by the Contractor and members of the DJJHV. An assessment for these members will be required at least quarterly.
14. Initial member evaluation by a Physical Therapist will be performed within forty-eight (48) hours of being ordered.
15. Physical Therapist shall supply appropriate documentation to assist the member in securing necessary medical equipment that may be provided by the member's insurance, Medicare, Medicaid, or VA Benefits.
16. Physical Therapist will be part of the member's treatment team. Physical Therapist will participate in the member's care conferences and provide documentation for the care conference according to the DJJHV policies and procedures.



17. Physical Therapist shall record all services provided in member charts. This service will be physically performed on-site at the DJJHV. The DJJHV will provide adequate working space, equipment and support staff, to the extent necessary to perform required services under this contractual agreement.

Occupational Therapy Requirements:

Contractor shall provide Occupational Therapy to members who's ability to cope with tasks of living is impaired by development deficits, physical injury or illness, and the aging process.

Occupational Therapist will identify treatment plans and administer treatment in the form of therapeutic activities graded to fit the member's physical and mental needs.

Under the resulting contractual agreement, the Contractor will be required to provide necessary occupational services.

1. The Contractor will provide professional staff that are appropriately licensed and credentialed within their particular specialty area (i.e. occupational therapy). Copies of licenses/registrations must be provided with the bidder's response to this RFP.
2. Occupational Therapist will be directly responsible to the Contract Administrator and the CCI. The Occupational Therapist will meet with the CCI at least quarterly and more often if the need arises.
3. Occupational Therapist and Certified Occupational Aide (COTA) shall participate in an orientation program presented by the DJJHV staff development coordinator.
4. Occupational Therapist and COTA shall adhere to all DJJHV policies and procedures with special emphasis on rehabilitation services, infection control, safety, patient rights, confidentiality and HIPAA.
5. Occupational Therapist and COTA shall be available on a regular schedule both in terms of date and time. Services must be provided during the hours of Monday through Friday, 8:00 am to 4:30 pm.
6. Occupational Therapist and/or COTA will not exceed a combined sixteen (16) hours per week on average of fifty-two (52) weeks per year.
7. Occupational Therapist will provide documentation regarding any treatment given according to the policies and procedures of the DJJHV.
8. Occupational Therapist will be required to provide, at no additional cost to the DJJHV up to twelve (12) hours of in service training annually for the DJJHV staff.
9. Occupational Therapist or COTA shall not conduct personal or private business while providing services on-site at the DJJHV unless provisions for such activities/services are addressed in the contract.
10. All members/residents are entitled to a maintenance or restorative program that will assist in regaining function or maintaining their current level of function. Maintenance and restorative programs will be set up by licensed professional staff. Programs are carried out by trained DJJHV staff.
11. Maintenance and restorative programs must be monitored and updated by the Occupational Therapist at least quarterly.
12. To meet licensure regulations, all members need to have a functional assessment on a quarterly basis. All members with contractures need to be measured and monitored for range of motion quarterly prior to the care conference. Written documentation will be placed in the members medical records.
13. All members who need a physical restraint will be assessed by an interdisciplinary team. This team will consist of a licensed Occupational Therapist provided by the Contractor and the DJJHV staff. An assessment for these members will be required at least quarterly.
14. Initial member evaluations by an Occupational Therapist will be performed within forty-eight (48) hours of being ordered.
15. Occupational Therapist shall supply appropriate documentation to assist the member in securing necessary medical equipment that may be provided by the member's insurance, Medicare, Medicaid, or VA Benefits.



16. Occupational Therapist will be part of the member's treatment team. Occupational Therapist will provide written documentation for the member's care conferences according to the DJJHV policies and procedures.
17. Occupational Therapist shall record all services provided in member charts. This service will be physically performed on-site at the Home. The DJJHV will provide adequate working space, equipment, and support staff, to the extent necessary to perform required services under this contractual agreement.

Contractor's staff is not allowed to have personal or financial relationships with DJJHV members/residents. In the case of a family member in residence at the DJJHV, the contractor shall provide full disclosure of such to the DJJHV CCI.

The contractor will be accountable and responsible for all medical, professional and ethical affairs to the DJJHV.

All services provided will be recorded and updated in the members medical records accordingly and will be the responsibility of the contractor. The contractor shall maintain appropriate medical record notations relating to the services provided in accordance with industry standards. These records shall include all information that may be required by law or fiscal intermediary, federal, state or local government agency, or any other party to whom billing for services are rendered.

The DJJHV shall have access to, upon demand and at reasonable times, the books, records and/or documentation of the contractor's relating to the services provided to members of the DJJHV. The DJJHV will require that all information pertaining to each individual member shall be subjected to confidentiality and disclosure provisions of applicable state and federal statutes and regulations. See Attachment D.

Prior to submitting any bill for services, the contractor, upon request, will be required to assemble all supporting documentation necessary to demonstrate that such services were actually and appropriately provided to a DJJHV member. See Attachment E

#### **1.030 Roles and Responsibilities**

##### **1.031 Contractor Staff, Roles, and Responsibilities**

The Contractor will be required to provide a detailed list of key personnel who will be assigned to the performance of this contractual agreement. The Contractor must include personnel name, title, contact information, license/certifications held with supporting documentation of such, and their functional role relating to providing services. Any changes in key personnel during the contractual term must be pre-approved by the Contract Administrator and/or the CCI.

The Contractor shall acknowledge in writing that this contract does not create a co-employer-employee relationship between the Contractor and the DJJHV or between the Contractor's employees and the DJJHV. The Contractor shall inform each of its employees in writing that the DJJHV is not the employer of the Contractor or the Contractor's employees and that the DJJHV is not a co-employer of the Contractor's employees. The Contractor agrees to have each of its employees assigned to the DJJHV acknowledge the same in writing and agrees to maintain current documentation concerning the employment relationship referenced in this paragraph in each of the contractors employee files.

#### **BACKGROUND CHECKS/DRUG & ALCOHOL SCREENING:**

All contracted employees shall have undergone a pre-employment criminal history/background check and shall have met the requirements of the DJJHV and Public Act 28 of 2006 (also see Sec. 2.091) and a pre-employment drug and alcohol screening (compliant with Civil Service Rules 2.7 Drug and Alcohol Testing) and will be at the contractor's expense. Random criminal history and drug and alcohol screening will be required in compliance with applicable State Civil Service Rules, state and federal laws and will be at the contractor's expense. Contractor employees are prohibited from: Consuming alcohol while on duty, being on duty with alcohol or drugs present in the employee's system/body fluids, refusing to submit to a required drug or alcohol test, or to interfere with any testing procedure or tamper with any test sample. Reference to Civil Service Commission Rules is for the sole purpose of setting the drug and



alcohol testing standards for pre-employment, random, reasonable suspicion and accident/incident testing and does not confer any rights upon the Contractor or Contractor's employees.

The DJJHV practices zero tolerance for any and all pre and/or random (to include reasonable suspicion and accident/incidents) positive testing results and reserves the right to refuse admission to any of its facilities or programs to any member of the contractor's staff who fails to meet these requirements.

- Pre-employment criminal history/background checks must meet the requirements of Public Act 28 of 2006;
- Pre-employment drug and alcohol screening will be completed by the contractor for all employees assigned to the DJJHV, compliant with Civil Service Rules 2.7 Drug and Alcohol Testing, see <http://www.michigan.gov/documents/mdcs> and in compliance with applicable state and federal laws, rules, and regulations;
- Results along with proof of consent will be maintained in the employee file and verification must be provided upon request to the CCI;
- Random drug and alcohol screening will be completed by contractor for employees working at DJJHV on a semi-annual basis. Results will be provided to the DJJHV CCI or designee, and maintained in individual employee files. Any employee with a positive result from any drug or alcohol test will be prohibited from working at the DJJHV;
- Reasonable suspicion testing will be required by the contractor if there is suspicion that the contracted employee has violated the prohibited drug and alcohol statement above. Any employee with a positive result from any drug or alcohol test will be prohibited from working at the DJJHV;
- Post accident testing will be required by the contractor if there is evidence that a contracted employee or employees may have caused or contributed to a serious work accident. Any employee with a positive result from any drug or alcohol test will be prohibited from working at DJJHV;
- Pre-employment criminal background checks will be completed by the contractor for all employees assigned to and working at DJJHV by the contractor;
- All Contractor employees must comply with DJJHV employee work rules and all applicable state and federal laws, rules and regulations, while working on site at DJJHV at all times;
- Read and speak English fluently;
- Contractor's staff will demonstrate at all times a commitment to quality of care provided to all Members of the DJJHV.

Contractor must complete a criminal background check on all on-site employees in accordance with DJJHV Policy 14-14 (Attachment F) prior to working at the DJJHV. Any criminal finding must be reviewed by the Facility Administrator or Director of Nursing. Copies of all background checks must be forwarded to the Facility Financial Analyst who retains them on file for audit purposes.

The Contractor must comply with Health Insurance Portability and Accountability Act (HIPAA) of 1996 (P.L. 104-191) requirements at all times, and provide information as to their process and/or procedures followed to maintain confidentiality. Bidder shall refer to Attachment B, HIPAA Business Associate Addendum.

#### **Enforcement Procedure for Evaluating Occupational Exposure to Tuberculosis**

The Contractor will be required to provide staff that are listed under this contract with a two (2) step TB skin test (or questionnaire if employee is known to have a positive reaction). TB results shall be submitted for approval to the DJJHV infection control nurse. TB tests and/or employee questionnaires are required annually.

1. Initial Baseline TB skin testing. The contractor shall offer TB Mantoux skin tests to all employees within 10 days of hire and prior to occupational exposure. Two-step baseline testing shall be used for all employees who exhibit initial negative PPD skin test results, but have not had a previously documented negative TB skin test results during the preceding 12 months. TB skin tests, follow-up and treatment evaluations shall be offered at no cost to the contractors employees, and at times and locations convenient to the employees. The reading and interpretation of the TB skin test shall be performed by a qualified individual as described in the CDC Guidelines. The contractor will be required





to maintain these records and shall be able to be verified upon request of the DJJHV infection control nurse.

2. A worker with documented positive TB skin test results, or a worker who has received treatment for TB disease, or who has received preventive therapy for TB infection, is exempt from the TB skin test. Such workers must complete a medical questionnaire annually for the purpose of identifying any pulmonary symptoms suggestive of TB disease. Such workers must also be periodically informed about the symptoms for TB and the need for immediate medical evaluation by a physician or a trained health care provider to determine if the worker is experiencing TB symptoms.
3. Annual TB skin testing will be required after initial baseline TB skin testing. The contractor will be required to maintain these records.
4. Conversion to a positive Mantoux skin test shall be followed-up promptly by appropriate medical, laboratory and radiographic evaluations to determine whether the employee has infectious TB disease.
5. An employee who exhibits symptoms of active TB (e.g., weight loss, night sweats, bloody sputum, anorexia, or fever) shall be promptly treated for TB. The employee is not be allowed to return to work until a diagnosis of TB has been excluded or until the employee is on therapy and has been determined by a physician to be noninfectious.

#### **Bloodborne Infectious Diseases**

The Contractor will be required to provide staff that are listed under this contract with the option of the Hepatitis B Vaccine Series upon hire and must receive it within ten (10) days as required by OSHA. Offer Hepatitis B Vaccine to all employees, with proof of consent or declination, consistent with Center for Disease Control (CDC) guidelines. An employee refusal of the Hepatitis B Vaccine must be documented in writing. Records of informed consent to receive or refusal of the Hepatitis B Vaccine must be submitted to the DJJHV infection control nurse.

1. Within 10 working days of the time of initial assignment and after the employee has received training required by the provisions of CDC guidelines, contractor shall make the following available to each employee listed under this contractual agreement:
  - (a) A Hepatitis B vaccination. If an employee initially declines vaccination, but at a later date, while still covered under these rules, decides to accept the HBV vaccine, the contractor shall provide the vaccine at that time.
  - (b) HBV antibody testing for employees who desire such testing before deciding whether or not to receive HBV vaccination. If an employee has previously received the complete vaccination series, is found to be immune to the HBV by virtue of adequate antibody titer, then the contractor is not obligated to offer the HBV to that employee.
  - (c) The contractor shall ensure that an employee who declines to accept hepatitis B vaccination signs a waiver statement with all of the following provisions:
    - (i) Understanding of risk.
    - (ii) Acknowledgment of opportunity of vaccination at no cost.
    - (iii) Declining vaccination.
    - (iv) Future availability of vaccination at no cost if desired, if still in at risk status.

Note: The Contractor will be expected to maintain training records, Hepatitis B declination waiver forms, and Hepatitis vaccination records.

The DJJHV shall provide each exposed employee of the contractor with an opportunity to have a confidential medical evaluation and follow-up subsequent to a reported occupational exposure incident to blood or other potentially infectious material. (Refer to DJJHV Guidelines regarding Exposure Control Plan: Bloodborne Infectious Diseases, Attachment C). The DJJHV will assume facilitation of process, but cost will be the responsibility of the contractor.



"Excerpted from MIOSHA STANDARD FOR BLOODBORNE INFECTIOUS DISEASES (R 325.70001 – R. 325.700018)"

Note: The contractor will also be responsible for any future testing that becomes a part of pre-employment placement evaluation by policy for DJJHV for the duration of the resulting contract.

For clinical staff provided through *locum tenens* companies or other vendors, it is expected that performance evaluations will be conducted by the contractor with results to be provided to the CCI and/or the Contract Administrator upon request.

The Contractor will provide information and identify where contractor's staff will be physically located during contract performance. Contractor shall identify key staff that is considered full-time and/or part-time personnel. Descriptions of roles/responsibilities should be functional and not just by title. The Contractor will include detailed information as to how staff are properly trained in order to maintain compliance with all professional licensing/certification requirements, Tuberculosis (TB) Control requirements, MIOSHA Standards for Bloodborne Pathogen/Infectious Diseases Control (R325.70001 through R 325.700018), all Health Insurance Portability and Accountability Act (HIPAA) of 1996 requirements, and the Patient Safety and Quality Improvement Act of 2005 requirements, and confidentiality requirements as stated in this RFP.

#### **1.040 Project Plan**

##### **1.041 Project Plan Management**

The Contractor must have, a thorough proposed work plan as to how the contractor will provide the therapy services under this contractual agreement. It is important that the information provided is relevant to the DJJHV. The contractor must address how they will maintain continuity of services at all times, without interruptions, throughout the entire term of the contract. The Contractor must provide a detailed work plan indication how they will accomplish the SOW as described, to include meeting the therapy contracted staffing requirements. The work plan must include the following:  
A staffing chart by job title and must be in agreement with staffing of accepted proposal. Staffing roles and responsibilities must be clearly identified, including qualifications of key personnel to support the contractor's ability to delivery the services. Contractor shall provide name(s) of supervisor(s) with 24-hour contact telephone number(s). Project plan shall describe how contractor's proposed staff will meet required training, work hours and services of this contract.

The Contractor shall describe their project management process, addressing project management, oversight of services provided, how the contractor intends to address issues and/or changes should they arise, and how contractor will keep the DJJHV informed of any potential issues, progress, and progress reviews, etc. The Contractor shall provide a project management plan, identifying methods, tools and processes proposed to oversee the services under this contract. The Contractor shall provide name(s) as to the individual(s) responsible for receiving/reacting to issues addressed by the DJJHV and a proposed timeframe for response

Describe the position(s) that will be responsible for implementing the services and their positions in your organizational structure, as well as their decision-making authority as it relates to this implementation of these services. Identify where these personnel will be physically located during the transition, implementation, and maintenance management phases of a possible contract. Include an organizational chart or diagram that reflects your company structure and an organizational chart or diagram of your proposed staffing plan.

Proof of Insurance as defined in Section 2.130 must be provided to the buyer prior to Contract award.

Any misrepresentation by the Contractor of its ability to perform the work described in this contract will be grounds for immediate termination. In such case, a Contract will be awarded to the next qualified bidder based on the best value scoring for the original RFP of this contractual agreement.

**Transition Plan:**

Identify in a time phased plan, all of the proposed key steps included in your transition plan in order to implement the services as proposed in this contract. This transition plan must include how your company proposes to implement a smooth transition from the staff currently performing the work and the prior contractor. The Contractor must assure transition plan includes meets all requirements of this contractual agreement.

**Training Plan:**

The Contractor shall describe their company training requirements, company capabilities for initial training at time of hire, on-going in-service training and the training to be included in this proposed contract. The Contractor shall also describe the manner in which they recruit qualified employees and endeavors used to retain those employees (ie employee benefit package, paid vacations, etc.).

**Implementation Plan:**

Provide a complete a thorough implementation plan of how your company proposes to accomplish the statement of work as described in this contract and put into practice for the DJJHV. This plan shall include, but is not limited to the following:

- What tasks or responsibilities will be assigned to each employee assigned to the project?
- What is the number of employees assigned to this location, and what are the proposed man-hours for each?
- Indicate the hourly wage per therapist.

**Disciplinary Plan:**

Provide a thorough disciplinary plan of how your company proposes to accomplish any required disciplinary action as required in the RFP and put into practice for the DJJHV. This plan shall include, but is not limited to the following:

- The Contractor shall discipline his/her employees, as needed, including termination.
- Contractor shall exercise all supervisory control and general control over all day-to-day operations of his/her employees, including control over all workers duties.
- The DJJHV may require the Contractor to immediately remove any of its employees from the premises for just cause. Any, and all, such removals shall be made in the name of the Contractor and all responsibilities will be assumed by the Contractor. Any such employee shall not be placed in another State agency.

**Contingency Plan:**

- Describe company contingency plan when staff assigned cannot provide the service (i.e. injuries, no shows, un-expected illnesses, vacations, planned time off, etc.).
- Include in your contingency plan process to be followed in each circumstance, proposed staff person to address specific situations, response times, including as much detail as possible.

**Financial Stability:**

Please describe your company's ability to meet and financially maintain funding of this contract, showing financial documentation (ie letter from financial institution) which shows company's ability to maintain financial sustainability in order to meet the requirements as stated in this contract. Contractor shall include relevant financial information showing company's ability to financially fund similar projects of the same size and scope in a long term care facility, financial information relative to assure payment to all key stakeholders as they relate to this contract (i.e., plan may include, but is not limited to: payment of wages/compensation, payment of benefits to employees, proper funding for training, funding for recruiting, etc.)

**1.042 Reports**

Contractor will be required to provide written documentation and reports as outlined above in Section 1.020, Scope of Work and Deliverables. Contractor will be required to maintain employee training reports, employee progress/evaluation reports, monthly staffing reports, disciplinary action, in-service trainings, re-education training, random drug screen testing, employee accident/injury reports, billing invoice and other monthly, quarterly and annual reports. Copies of these reports shall be provided upon request by the Contract Administrator and/or the CCI or designee.

The Contractor will be allowed to utilize DJJHV printer and computer based forms internal to the DJJHV for documenting member treatment and progress. If applicable, Contractor shall provide samples of any internal forms/documentation with their proposal. Assessment and treatment plans will continue to be provided upon admission to the DJJHV and in the month of the member's anniversary per DJJHV policy, unless a member has a change in status requiring an interim assessment.

Contractor will be required to utilize the DJJHV Contractor Monthly Time Tracking Form, See Attachment E. The Contractor Monthly Time Tracking Form will be utilized to monitor therapist time and for reconciliation of monthly billing statements/invoices.

**1.050 Acceptance****1.051 Criteria**

The following criteria will be used by the State to determine Acceptance of the Services or Deliverables provided under this SOW:

Invoices must be submitted by the contractor listing the staff member name, date and hours of work per day, to be reviewed and approved by the CCI or designee. Contractor must complete a DJJHV Contractor Monthly Time Tracking Form (See Attachment E), copy must be attached to monthly invoices for reconciliation on monthly billing charges.

The DJJHV will review with the contractor their performance under this contractual agreement. Performance reviews will be conducted quarterly, semi-annually, or annually depending on the Contractor's past performance with the State. Performance reviews shall include but are not limited to, quality of services being provided, timeliness of services, accuracy of billings, customer service, completion and submission of required paperwork, and other requirements of the contract. Bidder should provide acceptance criteria as part of their proposal response.

**1.052 Final Acceptance**

Acceptance is tied to adequate performance of therapists under this contractual agreement and individual member therapy requirements have been met.

**1.060 Proposal Pricing****1.061 Proposal Pricing**

This contract will be on a per hour basis. Payment for travel time will not be authorized under this contractual agreement. All charges shall be verified and authorized by the CCI prior to payment in accordance with terms outlined in this contract.

For authorized Services and Price List, see Attachment A.

**1.062 Price Term**

Prices quoted are the maximum for a period of 365 days from the date the Contract becomes effective.

Prices are subject to change at the end of each 365-day period. Such changes must be based on changes in actual costs incurred. Documentation of such changes must be provided with the request for price change in order to substantiate any requested change. DMVA, State Operations - Purchasing & Contracts reserves the right to consider various pertinent information sources to evaluate price increase requests (such as the CPI and PPI, US City Average, as published by the US Department of Labor, Bureau of Labor Statistics). DMVA, State Operations - Purchasing & Contracts also reserves the right to consider other information related to special economic and/or industry circumstances, when evaluating a price change request. Changes may be either increases or decreases, and may be requested by either party. Approved changes must be firm for the remainder of the Contract period unless further revised at the end of the next 365-day period. Requests for price changes must be RECEIVED IN WRITING AT LEAST 30 DAYS PRIOR TO THEIR EFFECTIVE DATE, and are subject to written acceptance before becoming effective. In the event new prices are not acceptable, the Contract may be cancelled. **The Contractor remains responsible for performing according to the Contract terms at the Contract price for all orders received before price revisions are approved or before the Contract is cancelled.**

**1.063 Tax Excluded from Price**

(a) Sales Tax: For purchases made directly by the State, the State is exempt from State and Local Sales Tax. Prices must not include the taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

(b) Federal Excise Tax: The State may be exempt from Federal Excise Tax, or the taxes may be reimbursable, if articles purchased under any resulting Contract are used for the State's exclusive use. Certificates showing exclusive use for the purposes of substantiating a tax-free or tax-reimbursable sale will be sent upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices must not include the Federal Excise Tax.

**1.064 Holdback – DELETED – NOT APPLICABLE****1.070 Additional Requirements****1.71 Additional Terms and Conditions specific to this RFP****Conflict Resolution**

Contractor will respond, in writing, to all complaints against contracted staff. Complaints will be made in writing by the DJJHV, Administrator, CCI or designee on formal DJJHV letterhead and sent to the contractor. Issues must be addressed by the contractor within 24 hours.

Contractor will be responsible for repair, replacement or cleanup as necessary due to carelessness or negligence on the part of the Contractor and/or its personnel.

Contractor will provide all supervision as necessary to oversee all personnel as they relate to the proposed contract. The Contractor's supervisor shall be a qualified and trained person who is designated in writing as the bidders representative.

Contractor shall refer to Article 2.190, for information as it relates to dispute resolution requirements.

**Annual Service Review and Progress Meeting**

1. The DJJHV and/or the buyer may request an audit of the services provided each year under the specifications, terms, and conditions of the Contract. The audit will be a joint activity of the State.
2. An unsatisfactory audit may result in cancellation of the Contract under the terms of the Cancellation Clause in Section 2.150. Further, should the Contract be cancelled for



cause, the Contractor so cancelled will not be allowed to participate in request(s) for continuation of this service.

Should the Contractor desire, a meeting will be arranged between all concerned parties within 10 calendar days of the date the Contractor received, or could have reasonably been expected to receive, his/her copy of the audit. This meeting will provide an opportunity for the Contractor to present his/her reactions to audit recommendations.  
Contractors original response to RFP document is attached and becomes part of this contractual agreement.

**Article 2, Terms and Conditions****2.000 Contract Structure and Term****2.001 Contract Term**

The Contract is for a period of Three (3) years beginning approximately April 1, 2013 through March 31, 2016. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

**2.002 Options to Renew**

The Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to Two (2) additional years.

**2.003 Legal Effect**

Contractor must show acceptance of the Contract by signing two (2) copies of the Contract and returning them to the Contract Administrator. The Contractor must not proceed with the performance of the work to be done under the Contract, including the purchase of necessary materials, until both parties have signed the Contract to show acceptance of its terms, and the Contractor receives a Contract release/purchase order that authorizes and defines specific performance requirements.

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under the Contract, until Contractor is notified in writing that the Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

**2.004 Attachments & Exhibits**

All Attachments and Exhibits affixed to any and all Statement(s) of Work, or appended to or referencing the Contract, are incorporated in their entirety and form part of the Contract.

**2.005 Ordering**

The State will issue a written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order, which must be approved by the Contract Administrator or the Contract Administrator's designee, to order any Services/Deliverables under the Contract. All orders are subject to the terms and conditions of the Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are also specifically contained in that Purchase Order's or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown; however, the Contractor must furnish all such materials and services as may be ordered during the CONTRACT period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.

**2.006 Order of Precedence**

(a) The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to the subject matter and as additional terms and conditions on the purchase order must apply as limited by **Section 2.005**.

(b) In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of the Contract, which may be modified or amended only by a formal Contract amendment.

**2.007 Headings**

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of the Contract.

**2.008 Form, Function & Utility – DELETED – NOT APPLICABLE****2.009 Reformation and Severability**

Each provision of the Contract is severable from all other provisions of the Contract and, if one (1) or more of the provisions of the Contract is declared invalid, the remaining provisions of the Contract remain in full force and effect.

**2.010 Consents and Approvals**

Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, the consent or approval must be in writing and must not be unreasonably withheld or delayed.

**2.011 No Waiver of Default**

If a party fails to insist upon strict adherence to any term of the Contract then the party has not waived the right to later insist upon strict adherence to that term, or any other term, of the Contract.

**2.012 Survival**

Any provisions of the Contract that impose continuing obligations on the parties, including without limitation the parties' respective warranty, indemnity and confidentiality obligations, survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

**2.020 Contract Administration****2.021 Issuing Office**

The Contract is issued by the Department of Military and Veterans Affairs, DMVA, State Operations - Purchasing & Contracts. DMVA, State Operations - Purchasing & Contracts is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. **DMVA, State Operations - Purchasing & Contracts is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of the Contract.** The Contractor Administrator within DMVA, State Operations - Purchasing & Contracts for the Contract is:

Kimberly Graham, Buyer Manager  
DMVA, State Operations – Purchasing & Contracts  
Reserve Forces Support Center, Suite 320F  
3423 N. Martin Luther King Jr. Blvd.  
Lansing, MI 48906  
Email: [grahamk@michigan.gov](mailto:grahamk@michigan.gov)  
Phone: (517) 481-7643 Fax: (517) 481-7644

**2.022 Contract Compliance Inspector**

After DMVA, State Operations - Purchasing & Contracts receives the properly executed Contract, it is anticipated that the Buyer Manager of DMVA, State Operations - Purchasing & Contracts, in consultation with the D. J. Jacobetti Home for Veterans, will direct the person named below, or any other person so designated, to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring of the Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of the Contract as that authority is retained by DMVA, State Operations - Purchasing & Contracts.** The CCI for the Contract is:

Tina Lynch, Director of Nursing  
D. J. Jacobetti Home for Veterans  
425 Fisher Street  
Marquette, MI 49855  
Email: [lyncht@michigan.gov](mailto:lyncht@michigan.gov)  
Phone: (906) 226-3576 Extension 314



**2.023 Project Manager**

The following individual will oversee the project:

Margaret Peterson, RN Manager  
D. J. Jacobetti Home for Veterans  
425 Fisher Street  
Marquette, MI 49855  
Email: [petersonm9@michigan.gov](mailto:petersonm9@michigan.gov)  
Phone: (906) 226-3576 Extension 343

**2.024 Change Requests**

The State reserves the right to request, from time to time, any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the Contractor does not so notify the State, the Contractor has no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable.

**Change Requests:**

- (a) By giving Contractor written notice within a reasonable time, the State must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under the Contract, describing the Change and its effects on the Services and any affected components of the Contract (a "Contract Change Notice").
- (b) No proposed Change may be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the DMVA, State Operations – Purchasing & Contracts.
- (c) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of the Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

**2.025 Notices**

Any notice given to a party under the Contract must be deemed effective, if addressed to the State contact as noted in Section 2.021 and the Contractor's contact as noted on the cover page of the contract, upon: (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this Section; (iii) the third Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

Either party may change its address where notices are to be sent by giving notice according to this Section.

**2.026 Binding Commitments**

Representatives of Contractor must have the authority to make binding commitments on Contractor's behalf within the bounds set forth in the Contract. Contractor may change the representatives from time to time upon written notice.

**2.027 Relationship of the Parties**

The relationship between the State and Contractor is that of client and independent contractor. No agent, employee, or servant of Contractor or any of its Subcontractors must be deemed to be an employee, agent or servant of the State for any reason. Contractor is solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

**2.028 Covenant of Good Faith**

Each party must act reasonably and in good faith. Unless stated otherwise in the Contract, the parties must not unreasonably delay, condition, or withhold the giving of any consent, decision, or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the Contract.

**2.029 Assignments**

(a) Neither party may assign the Contract, or assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform the requirements of the Contract. The State may withhold consent from proposed assignments, subcontracts, or novations when the transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

(b) Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. If the State permits an assignment, the Contractor is not relieved of its responsibility to perform any of its contractual duties, and the requirement under the Contract that all payments must be made to one (1) entity continues.

© If the Contractor intends to assign the Contract or any of the Contractor's rights or duties under the Contract, the Contractor must notify the State in writing at least 90 days before the assignment. The Contractor also must provide the State with adequate information about the assignee within a reasonable amount of time before the assignment for the State to determine whether to approve the assignment.

**2.030 General Provisions****2.031 Media Releases**

News releases (including promotional literature and commercial advertisements) pertaining to the RFP and 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 from the State. No results of the activities associated with the RFP and Contract are to be released without prior written approval of the State and then only to persons designated.

**2.032 Contract Distribution**

DMVA, State Operations – Purchasing & Contracts retains the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by DMVA, State Operations - Purchasing & Contracts.

**2.033 Permits**

Contractor must obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State must pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

**2.034 Website Incorporation**

The State is not bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of the content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representative of the State.

**2.035 Future Bidding Preclusion**

Contractor acknowledges that, to the extent the Contract involves the creation, research, investigation or generation of a future RFP, it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a competitive advantage on the RFP.

**2.036 Freedom of Information**

All information in any proposal submitted to the State by Contractor and the Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 PA 442, MCL 15.231, et seq (the "FOIA").

**2.037 Disaster Recovery**

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under the Contract must provide the State with priority service for repair and work around in the event of a natural or man-made disaster.

**2.040 Financial Provisions****2.041 Fixed Prices for Services/Deliverables**

Each Statement of Work or Purchase Order issued under the Contract must specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

**2.042 Adjustments for Reductions in Scope of Services/Deliverables**

If the scope of the Services/Deliverables under any Statement of Work issued under the Contract is subsequently reduced by the State, the parties must negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope.

**2.043 Services/Deliverables Covered**

For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under the Contract, the State must not be obligated to pay any amounts in addition to the charges specified in the Contract.

**2.044 Invoicing and Payment – In General**

- (a) Each Statement of Work issued under the Contract must list the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.
- (b) Each Contractor invoice must show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis must show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.064**.
- (c) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 PA 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.
- (d) All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the CCI and the Contractor.

**2.045 Pro-ration – DELETED – NOT APPLICABLE****2.046 Antitrust Assignment**

The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of the Contract.

**2.047 Final Payment**

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor will it constitute a waiver of any claims by one (1) party against the other arising from unsettled claims or failure by a party to comply with the Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under the Contract must constitute a waiver of all claims by Contractor against the State for payment under the Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

**2.048 Electronic Payment Requirement**

Electronic transfer of funds is required for payments on State contracts. The Contractor must register with the State electronically at <http://www.cpexpress.state.mi.us>. As stated in 1984 PA 431, all contracts that the State enters into for the purchase of goods and services must provide that payment will be made by Electronic Fund Transfer (EFT).

**2.050 Taxes****2.051 Employment Taxes**

Contractors are expected to collect and pay all applicable federal, state, and local employment taxes.

**2.052 Sales and Use Taxes**

Contractors are required to be registered and to remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. Contractors that lack sufficient presence in Michigan to be required to register and pay tax must do so as a volunteer. This requirement extends to: (1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining "two (2) or more trades or businesses under common control" the term "organization" means sole proprietorship, a partnership (as defined in § 701(a)(2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.

**2.060 Contract Management****2.061 Contractor Personnel Qualifications**

All persons assigned by Contractor to the performance of Services under the Contract must be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and must be fully qualified to perform the work assigned to them. Contractor must include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of the Contract, independent contractors engaged by Contractor solely in a staff augmentation role must be treated by the State as if they were employees of Contractor for the Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

**2.062 Contractor Key Personnel**

(a) The Contractor must provide the CCI with the names of the Key Personnel.

(b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.



(c) The State reserves 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 must notify the State of the proposed assignment, must introduce the individual to the appropriate State representatives, and must 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 must provide a written explanation including reasonable detail outlining the reasons for the rejection.

(d) Contractor must not remove any Key Personnel from their assigned roles on the 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"). Unauthorized Removals 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. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements and appropriate transition planning must be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.

(e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

#### **2.063 Re-assignment of Personnel at the State's Request**

The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good-faith reasons. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted for a time as agreed to by the parties.

#### **2.064 Contractor Personnel Location**

All staff assigned by Contractor to work on the Contract must perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel must, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

#### **2.065 Contractor Identification**

Contractor employees must be clearly identifiable while on State property by wearing a State-issued badge, as required. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

#### **2.066 Cooperation with Third Parties – Deleted – Not Applicable**

#### **2.067 Contractor Return of State Equipment/Resources**

The Contractor must return to the State any State-furnished equipment, facilities, and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

**2.068 Contract Management Responsibilities**

The Contractor must assume responsibility for all contractual activities, whether or not that Contractor performs them. Further, the State considers the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Contract. If any part of the work is to be subcontracted, the Contract must include a list of Subcontractors, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve Subcontractors and to require the Contractor to replace Subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the Subcontractor to all provisions of the Contract. Any change in Subcontractors must be approved by the State, in writing, prior to such change.

**2.070 Subcontracting by Contractor – Deleted – Not Applicable****2.071 Contractor Full Responsibility**

Contractor has full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under the Contract, including payment of any and all charges for Services and Deliverables.

**2.072 State Consent to Delegation – Deleted – Not Applicable****2.073 Subcontractor Bound to Contract – Deleted – Not applicable****2.074 Flow Down – Deleted – Not applicable****2.075 Competitive Selection – Deleted – Not Applicable****2.080 State Responsibilities****2.081 Equipment**

The State must provide only the equipment and resources identified in the Statements of Work and other Contract Exhibits.

**2.082 Facilities**

The State must designate space as long as it is available and as provided in the Statement of Work, to house the Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). The Contractor must have reasonable access to, and, unless agreed otherwise by the parties in writing, must observe and comply with all rules and regulations relating to each of the State Facilities (including hours of operation) used by the Contractor in the course of providing the Services. Contractor must not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for the Contractor's use, or to which the Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

**2.090 Security****2.091 Background Checks**

On a case-by-case basis, the State may investigate the Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

**2.092 Security Breach Notification**



If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State, in writing, any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

**2.093 PCI Data Security Standard – Deleted – Not Applicable**

(a) Contractors that process, transmit or store credit/debit cardholder data, must adhere to the Payment Card Industry (PCI) Data Security Standards. The Contractor is responsible for the security of cardholder data in its possession. The data may only be used to assist the State or for other uses specifically authorized by law.

(b) The Contractor must notify the CCI (within 72 hours of discovery) of any breaches in security where cardholder data has been compromised. In that event, the Contractor must provide full cooperation to the Visa, MasterCard, Discover and state Acquirer representative(s), and/or a PCI approved third party to conduct a thorough security review. The Contractor must make the forensic report available within two weeks of completion. The review must validate compliance with the current PCI Data Security Standards for protecting cardholder data.

(c) The Contractor must properly dispose of cardholder data, in compliance with DMVA policy, when it is no longer needed. The Contractor must continue to treat cardholder data as confidential upon contract termination.

(d) The Contractor must provide the CCI with an annual Attestation of Compliance (AOC) or a Report on Compliance (ROC) showing the contractor is in compliance with the PCI Data Security Standards. The Contractor must notify the CCI of all failures to comply with the PCI Data Security Standard.



## **2.100 Confidentiality**

### **2.101 Confidentiality**

Contractor and the State each acknowledge that the other possesses, and will continue to possess, confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor must mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below) which is marked confidential, restricted, proprietary, or with a similar designation. "Confidential Information" of the State must mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State under applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State under its performance under the Contract, is marked as confidential, proprietary, or with a similar designation by the State. "Confidential Information" excludes any information (including the Contract) that is publicly available under the Michigan FOIA.

### **2.102 Protection and Destruction of Confidential Information**

The State and Contractor must each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication, or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by the Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party must limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access to fulfill the purposes of the Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under the Contract, (B) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility, 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 and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.

Promptly upon termination or cancellation of the Contract for any reason, Contractor must certify to the State that Contractor has destroyed all State Confidential Information.

### **2.103 Exclusions**

Notwithstanding the foregoing, the provisions of Section 2.100 will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose the information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of Section 2.100 will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

### **2.104 No Implied Rights**

Nothing contained in this Section must be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

### **2.105 Respective Obligations**

The parties' respective obligations under this Section must survive the termination or expiration of the Contract for any reason.



**2.110 Records and Inspections****2.111 Inspection of Work Performed**

The State's authorized representatives must at all reasonable times and with 10 days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and must have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon 10 Days prior written notice and at all reasonable times, the State's representatives must be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that the access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives.

**2.112 Examination of Records**

For seven (7) years after the Contractor provides any work under the Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules. The State must notify the Contractor 20 days before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

**2.113 Retention of Records**

Contractor must maintain at least until the end of the Audit Period, all pertinent financial and accounting records (including time sheets and payroll records, information pertaining to the Contract, and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records must be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

**2.114 Audit Resolution**

If necessary, the Contractor and the State will meet to review each audit report promptly after issuance. The Contractor must respond to each audit report in writing within 30 days from receipt of the report, unless a shorter response time is specified in the report. The Contractor and the State must develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in the audit report.

**2.115 Errors**

(a) If the audit demonstrates any errors in the documents provided to the State, then the amount in error must be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four (4) invoices. If a balance remains after four (4) invoices, then the remaining amount will be due as a payment or refund within 45 days of the last quarterly invoice that the balance appeared on or termination of the Contract, whichever is earlier.

(b) In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than 10%, then the Contractor must pay all of the reasonable costs of the audit.

**2.120 Warranties – Deleted – Not Applicable**

**2.121 Warranties and Representations - Deleted – Not Applicable**

**2.122 Warranty of Merchantability - Deleted – Not Applicable**

**2.123 Warranty of Fitness for a Particular Purpose - Deleted – Not Applicable**



- 2.124 Warranty of Title - Deleted – Not Applicable
- 2.125 Equipment Warranty - Deleted – Not Applicable
- 2.126 Equipment to be New - Deleted – Not Applicable
- 2.127 Prohibited Products - Deleted – Not Applicable
- 2.128 Consequences For Breach - Deleted – Not Applicable

### 2.130 Insurance

#### **2.131 Liability Insurance**

The Contractor must provide proof of the minimum levels of insurance coverage as indicated below. The insurance must protect the State from claims which may arise out of or result from the Contractor's performance of Services under the terms of the Contract, whether the Services are performed by the Contractor, or by any Subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain under the Contract.

All insurance coverage's provided relative to the Contract/Purchase Order are PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance must be written for not less than any minimum coverage specified in the Contract or required by law, whichever is greater.

The insurers selected by Contractor must have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if the ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in the Contract must be issued by companies that have been approved to do business in the State. See [www.michigan.gov/dleg](http://www.michigan.gov/dleg).

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State must be entitled to coverage to the extent of the higher limits.

The Contractor is required to pay for and provide the type and amount of insurance checked ☒ below:

- ☒ 1. Commercial General Liability with the following minimum coverage:

- \$2,000,000 General Aggregate Limit other than Products/Completed Operations
- \$2,000,000 Products/Completed Operations Aggregate Limit
- \$1,000,000 Personal & Advertising Injury Limit
- \$1,000,000 Each Occurrence Limit

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSURED on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- ☒ 2. If a motor vehicle is used to provide services or products under the Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSURED on the vehicle liability certificate. The



Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

☒ 3. Workers' compensation coverage must be provided according to applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision must not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

☒ 4. Employers liability insurance with the following minimum limits:

\$100,000 each accident  
\$100,000 each employee by disease  
\$500,000 aggregate disease

☐ 5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of \$1,000,000.00 with a maximum deductible of \$50,000.00.

☐ 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$10,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

☐ 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: \$3,000,000.00 each occurrence and \$3,000,000.00 annual aggregate.

☐ 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under the Contract, and the equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State must be endorsed on the policy as a loss payee as its interests appear.

#### **2.132 Subcontractor Insurance Coverage**

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor must require all of its Subcontractors under the Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor must fully comply with the insurance coverage required in this Section. Failure of Subcontractor to comply with insurance requirements does not limit Contractor's liability or responsibility.

**2.133 Certificates of Insurance and Other Requirements**

Contractor must furnish to DMVA, State Operations - Purchasing & Contracts, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverages afforded under the policies **MUST NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED** without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the, DMVA, Buyer Manager. The notice must include the Contract or Purchase Order number affected. Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

The Contractor must maintain all required insurance coverage throughout the term of the Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure tail coverage for at least three (3) years following the expiration or termination for any reason of the Contract. The minimum limits of coverage specified above are not intended, and must not be construed, to limit any liability or indemnity of Contractor under the Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance. If the Contractor fails to pay any premium for required insurance as specified in the Contract, or if any insurer cancels or significantly reduces any required insurance as specified in the Contract without the State's written consent, then the State may, after the State has given the Contractor at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or the Contractor must pay that cost upon demand by the State.

**2.140 Indemnification****2.141 General Indemnification**

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of the Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its Subcontractors, or by anyone else for whose acts any of them may be liable.

**2.142 Code Indemnification**

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

**2.143 Employee Indemnification**

In any claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its Subcontractors, the indemnification obligation under the Contract must not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its Subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

**2.144 Patent/Copyright Infringement Indemnification**

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that the action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its Subcontractors, or the operation of the equipment, software, commodity or service, or the use or reproduction of any documentation provided with the equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor must at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if the option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if the option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the 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.

Notwithstanding the foregoing, the Contractor has no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under the Contract.

**2.145 Continuation of Indemnification Obligations**

The Contractor's duty to indemnify under this Section continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred before expiration or cancellation.

**2.146 Indemnification Procedures**

The procedures set forth below must apply to all indemnity obligations under the Contract.

(a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.

(b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under the Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may



retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. 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. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

(c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State may defend the claim in the manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor must promptly reimburse the State for all the reasonable costs and expenses.

## **2.150 Termination/Cancellation**

### **2.151 Notice and Right to Cure**

If the Contractor breaches the Contract, and the State, in its sole discretion, determines that the breach is curable, then the State must provide the Contractor with written notice of the breach and a time period (not less than 30 days) to cure the Breach. The notice of breach and opportunity to cure is inapplicable for successive or repeated breaches or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

### **2.152 Termination for Cause**

(a) The State may terminate the Contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under the Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State

(b) If the Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating the Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by the Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in the Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under the Contract.

(c) If the State chooses to partially terminate the Contract for cause, charges payable under the Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of the Contract that are terminated for cause must cease on the effective date of the termination.

(d) If the State terminates the Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in the Contract for a termination for convenience.

### **2.153 Termination for Convenience**

The State may terminate the Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The



State may terminate the Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate the Contract in part, the charges payable under the Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of the Contract that are terminated for cause must cease on the effective date of the termination.

#### **2.154 Termination for Non-Appropriation**

(a) Contractor acknowledges that, if the Contract extends for several fiscal years, continuation of the Contract is subject to appropriation or availability of funds for the Contract. If funds to enable the State to effect continued payment under the Contract are not appropriated or otherwise made available, the State must terminate the Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).

(b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under the Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.

(c) If the State terminates the Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

#### **2.155 Termination for Criminal Conviction**

The State may terminate the Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense related to a State, public or private Contract or subcontract.

#### **2.156 Termination for Approvals Rescinded**

The State may terminate the Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State must pay the Contractor for only the work completed to that point under the Contract. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in the written notice.

#### **2.157 Rights and Obligations upon Termination**

(a) If the State terminates the Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from the Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.





(b) If the State terminates the Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under the Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under the Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

(c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for Services and Deliverables provided under the Contract, and may further pursue completion of the Services/Deliverables under the Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

#### **2.158 Reservation of Rights**

Any termination of the Contract or any Statement of Work issued under it by a party must be with full reservation of, and without prejudice to, any rights or remedies otherwise available to the party with respect to any claims arising before or as a result of the termination.

#### **2.160 Termination by Contractor**

##### **2.161 Termination by Contractor**

If the State breaches the Contract, and the Contractor in its sole discretion determines that the breach is curable, then the Contractor will provide the State with written notice of the breach and a time period (not less than 30 days) to cure the breach. The Notice of Breach and opportunity to cure is inapplicable for successive and repeated breaches.

The Contractor may terminate the Contract if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under the Contract, (ii) breaches its other obligations under the Contract to an extent that makes it impossible or commercially impractical for the Contractor to perform the Services, or (iii) does not cure the breach within the time period specified in a written notice of breach. But the Contractor must discharge its obligations under **Section 2.190** before it terminates the Contract.

#### **2.170 Transition Responsibilities**

##### **2.171 Contractor Transition Responsibilities**

If the State terminates the Contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If the Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 30 days. These efforts must include, but are not limited to, those listed in **Sections 2.171, 2.172, 2.173, 2.174, and 2.175.**

##### **2.172 Contractor Personnel Transition**

The Contractor must work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties to effect an orderly transition. The Contractor must allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by the Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's Subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's Subcontractors or vendors. Contractor must notify all of Contractor's subcontractors of procedures to be followed during transition.



**2.173 Contractor Information Transition**

The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under the Contract. The Contractor must provide the State with asset management data generated from the inception of the Contract through the date on which the Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor must deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

**2.174 Contractor Software Transition – Deleted- Not Applicable****2.175 Transition Payments**

If the transition results from a termination for any reason, reimbursement must be governed by the termination provisions of the Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates agreed upon by the State. The Contractor must prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

**2.176 State Transition Responsibilities**

In the event that the Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:

- (a) Reconciling all accounts between the State and the Contractor;
- (b) Completing any pending post-project reviews.

**2.180 Stop Work****2.181 Stop Work Orders**

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order must be identified as a stop work order and must indicate that it is issued under this **Section 2.180**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.150**.

**2.182 Cancellation or Expiration of Stop Work Order**

The Contractor must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment must conform to the requirements of **Section 2.024**.

**2.183 Allowance of Contractor Costs**

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, the termination must be deemed to be a termination for convenience under **Section 2.150**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.180**.



## **2.190 Dispute Resolution**

### **2.191 In General**

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work must be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor must submit a letter, together with all data supporting the claims, executed by Contractor's Contract Administrator or the Contract Administrator's designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the claim and the supporting data are current and complete to Contractor's best knowledge and belief.

### **2.192 Informal Dispute Resolution**

(a) All disputes between the parties must be resolved under the Contract Management procedures in the Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties must meet with the DMVA, Buyer Manager, or designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings, as follows:

(i) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.

(ii) During the course of negotiations, all reasonable requests made by one (1) party to another for non-privileged information reasonably related to the Contract must be honored in order that each of the parties may be fully advised of the other's position.

(iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.

(iv) Following the completion of this process within 60 calendar days, the, DMVA, Buyer Manager, or designee, must issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.

(b) This Section must not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under **Section 2.193**.

(c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

### **2.193 Injunctive Relief**

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.192** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is the that the damages to the party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

### **2.194 Continued Performance**

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.150**, as the case may be.



## **2.200 Federal and State Contract Requirements**

### **2.201 Nondiscrimination**

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, or physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of the Contract or any purchase order resulting from the Contract must contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Contract.

### **2.202 Unfair Labor Practices**

Under 1980 PA 278, MCL 423.321, et seq., the State must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under Section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, must not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under Section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

### **2.203 Workplace Safety and Discriminatory Harassment**

In performing Services for the State, the Contractor must comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor must comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.

### **2.204 E-Verify – Deleted – Not Applicable**

### **2.205 Prevailing Wage – Deleted – Not Applicable**

## **2.210 Governing Law**

### **2.211 Governing Law**

The Contract must in all respects be governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

### **2.212 Compliance with Laws**

Contractor must comply with all applicable state, federal and local laws and ordinances in providing the Services/Deliverables.

### **2.213 Jurisdiction**

Any dispute arising from the Contract must be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

**2.220 Limitation of Liability****2.221 Limitation of Liability**

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of the Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the Contract.

The Contractor's liability for damages to the State is limited to two times the value of the Contract or \$500,000 whichever is higher. The foregoing limitation of liability does not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of the Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the Contract.

The State's liability for damages to the Contractor is limited to the value of the Contract.

**2.230 Disclosure Responsibilities****2.231 Disclosure of Litigation**

(a) Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities. The Contractor must disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

(b) Assurances. If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of the Contract would cause a reasonable party to be concerned about:

- (i) the ability of Contractor (or a Subcontractor) to continue to perform the Contract according to its terms and conditions, or
- (ii) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of the Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:

- (a) Contractor and its Subcontractors must be able to continue to perform the Contract and any Statements of Work according to its terms and conditions, and
- (b) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.

(c) Contractor must make the following notifications in writing:

- (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DMVA, State Operations - Purchasing & Contracts.



- (2) Contractor must also notify DMVA, State Operations - Purchasing & Contracts within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
- (3) Contractor must also notify DMVA, State Operations - Purchasing & Contracts within 30 days whenever changes to company affiliations occur.

#### **2.232 Call Center Disclosure - Deleted – Not Applicable**

#### **2.233 Bankruptcy**

The State may, without prejudice to any other right or remedy, terminate the Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish the Works in Process by whatever appropriate method the State may deem expedient if:

- (a) the Contractor files for protection under the bankruptcy laws;
- (b) an involuntary petition is filed against the Contractor and not removed within 30 days;
- (c) the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;
- (d) the Contractor makes a general assignment for the benefit of creditors; or
- (e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under the Contract.

Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process must be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

#### **2.240 Performance**

##### **2.241 Time of Performance**

(a) Contractor must use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.

(b) Without limiting the generality of Section 2.241(a), Contractor must notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.

(c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

##### **2.242 Service Level Agreements (SLAs) - Deleted – Not Applicable**

##### **2.243 Liquidated Damages - Deleted – Not Applicable**

##### **2.244 Excusable Failure**

Neither party will be liable for any default, damage, or delay in the performance of its obligations under the Contract to the extent the default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military, or otherwise), power failure, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.



If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail, but the party must use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 10 Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance continues; (b) the State may terminate any portion of the Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

The Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

#### **2.250 Approval of Deliverables**

##### **2.251 Delivery Responsibilities - Deleted – Not Applicable**

##### **2.252 Delivery of Deliverables**

Where applicable, the Statements of Work/POs contain lists of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document ("Written Deliverable"), a good ("Physical Deliverable") or a Service. All Deliverables must be completed and delivered for State review and written approval and, where applicable, installed according to the State-approved delivery schedule and any other applicable terms and conditions of the Contract.

##### **2.253 Testing -**

(a) Before delivering any of the above-mentioned Statement of Work Physical Deliverables or Services to the State, Contractor must first perform all required quality assurance activities to verify that the Physical Deliverable or Service is complete and conforms with its specifications listed in the applicable Statement of Work or Purchase Order. Before delivering a Physical Deliverable or Service to the State, Contractor must certify to the State that (1) it has performed the quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during the quality assurance activities and testing, (4) the Deliverable or Service is in a suitable state of readiness for the State's review and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied.

(b) If a Deliverable includes installation at a State Location, then Contractor must (1) perform any applicable testing, (2) correct all material deficiencies discovered during the quality assurance activities and testing, and (3) inform the State that the Deliverable is in a suitable state of readiness for the State's review and approval. To the extent that testing occurs at State Locations, the State is entitled to observe or otherwise participate in testing.

**2.254 Approval of Deliverables, In General – Deleted – Not Applicable****2.256 Process for Approval of Services**

The State Review Period for approval of Services is governed by the applicable Statement of Work (and if the Statement of Work does not state the State Review Period, it is by default 30 Business Days for Services). The State agrees to notify the Contractor in writing by the end of the State Review Period either stating that the Service is approved in the form delivered by the Contractor or describing any deficiencies that must be corrected before approval of the Services (or at the State's election, after approval of the Service). If the State delivers to the Contractor a notice of deficiencies, the Contractor must correct the described deficiencies and within 30 Business Days resubmit the Service in a form that shows all revisions made to the original version delivered to the State. The Contractor's correction efforts must be made at no additional charge. Upon implementation of a corrected Service from Contractor, the State must have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Service for conformity and that the identified deficiencies have been corrected.

**2.257 Process for Approval of Physical Deliverables – Deleted – Not Applicable****2.258 Final Acceptance**

Unless otherwise stated in the Article 1, Statement of Work or Purchase Order, "Final Acceptance" of each Deliverable must occur when each Deliverable/Service has been approved by the State following the State Review Periods identified in Sections 2.251-2.257. Payment will be made for Deliverables installed and accepted. Upon acceptance of a Service, the State will pay for all Services provided during the State Review Period that conformed to the acceptance criteria.

**2.260 Ownership – Deleted – Not Applicable****2.261 Ownership of Work Product by State – Deleted – Not Applicable****2.262 Vesting of Rights**

With the sole exception of any preexisting licensed works identified in the SOW, the Contractor assigns, and upon creation of each Deliverable automatically assigns, to the State, ownership of all United States and international copyrights, trademarks, patents, or other proprietary rights in each and every Deliverable, whether or not registered by the Contractor, insofar as any the Deliverable, by operation of law, may not be considered work made for hire by the Contractor for the State. From time to time upon the State's request, the Contractor must confirm the assignment by execution and delivery of the assignments, confirmations of assignment, or other written instruments as the State may request. The State may obtain and hold in its own name all copyright, trademark, and patent registrations and other evidence of rights that may be available for Deliverables.

**2.263 Rights in Data**

(a) The State is the owner of all data made available by the State to the Contractor or its agents, Subcontractors or representatives under the Contract. The Contractor must not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of the Contractor. No employees of the Contractor, other than those on a strictly need-to-know basis, have access to the State's data. Contractor must not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, the Contractor must only use personally identifiable information as strictly necessary to provide the Services and must disclose the information only to its employees who have a strict need-to-know the information. The Contractor must comply at all times with all laws and regulations applicable to the personally identifiable information.

(b) The State is the owner of all State-specific data under the Contract. The State may use the data provided by the Contractor for any purpose. The State must not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State may use personally identifiable information only as strictly necessary to utilize the Services and must disclose the information only to its employees who have a strict need to know the information, except as provided by law. The State must comply at all times with all laws and regulations applicable to the personally identifiable



information. Other material developed and provided to the State remains the State's sole and exclusive property.

**2.264 Ownership of Materials**

The State and the Contractor will continue to own their respective proprietary technologies developed before entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State. Any software licensed through the Contractor and sold to the State, will be licensed directly to the State.

**2.270 State Standards**

**2.271 Existing Technology Standards - Deleted – Not Applicable**

**2.272 Acceptable Use Policy**

To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see [http://www.michigan.gov/cybersecurity/0,1607,7-217-34395\\_34476---00.htm](http://www.michigan.gov/cybersecurity/0,1607,7-217-34395_34476---00.htm). All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. Signed agreements (Attachment G) must be forwarded to the DJJHV Financial Analyst who retains them for audit purposes. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

**2.273 Systems Changes – Deleted – Not Applicable**

**2.280 Extended Purchasing - Deleted – Not Applicable**

**2.281 MIDEAL- Deleted – Not Applicable**

**2.282 State Employee Purchases - Deleted – Not Applicable**

**2.290 Environmental Provision- Deleted – Not Applicable**

**2.291 Environmental Provision - Deleted – Not Applicable**

**2.300 Other Provisions - Deleted – Not Applicable**

**2.311 Forced Labor, Convict Labor, Forced or Indentured Child Labor, or Indentured Servitude Made Materials - Deleted – Not Applicable**



**ATTACHMENT A, PRICE PROPOSAL**

**Physical and Occupational Therapy Services**  
**A. J. Jacobetti Home for Veterans**  
**400 Fisher Street**  
**Marquette, MI 49855**

**NOTE: Bidder must complete and return this pricing sheet sealed separately on or before scheduled bid due date.**

**Pricing - Part I**

**Quoted prices are to include THERAPY services only as outlined in the RFP work and deliverables:**

<b>COST OF PROVIDING SERVICES</b>		
1	Physical Therapist	Cost Per Hour: \$61.50
2	Occupational Therapist	Cost Per Hour: \$61.50
3	Certified Occupational Therapy Aide	Cost Per Hour: \$48.75

Item	Position	Bill rate per hour	Estimated hours for 1 yr	Estimated Total
1	Physical Therapist	\$ 61.50	832 hours	\$ 51,168.00
2	Occupational Therapist	\$ 61.50	212 hours	\$ 13,038.00
3	Certified Occupational Therapy Aide	\$ 48.75	620 hours	\$ 30,225.00
<b>TOTAL FOR 1 YEAR</b>				<b>\$ 94,431.00</b>
<b>TOTAL FOR 3 YEARS</b>				<b>\$ 283,293.00</b>

**Pricing - Part II**

**A. TOTAL ESTIMATED 1-YEAR CONTRACT PRICE: \$ 94,431.00**

**B. TOTAL ESTIMATED 3-YEAR CONTRACT PRICE: \$ 283,293.00**

**Company Name: Superior Rehabilitation and Professional Services LLC**

**Telephone: 906-273-1517 Fax: 906\_273-1519 Email: DARO@SRPSUP.COM**

**Vendor Tax ID #: 46-0550110 EFT Payable: YES**



## ATTACHMENT B – DJJHV HIPAA Business Associate Addendum

### HIPAA BUSINESS ASSOCIATE ADDENDUM

The parties to this Business Associate Addendum ("Addendum") are the State of Michigan, acting by and through the Department of Military and Veterans Affairs ("State") and Superior Rehabilitation and Professional Services llc, ("Contractor"). This Addendum supplements and is made a part of the existing contract(s) or agreement(s) between the parties including the following Contract: 511B\_\_\_\_\_ ("Contract").

For purposes of this Addendum, the State is (check one):

- (X) Covered Entity ("CE")  
 ( ) Business Associate ("Associate")  
 and Contractor is (check one):  
 ( ) Covered Entity ("CE")  
 (X) Business Associate ("Associate")

### RECITALS

- A. Pursuant to the terms of the Contract, CE wishes to disclose certain information to Associate, some of which may constitute Protected Health Information ("PHI") (defined below). In consideration of the receipt of PHI, Associate agrees to protect the privacy and security of the information as set forth in this Addendum.
- B. CE and Associate intend to protect the privacy and provide for the security of PHI disclosed to Associate pursuant to the Contract in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA") and regulations promulgated thereunder by the U.S. Department of Health and Human Services (the "HIPAA Regulations") and other applicable laws, as amended.
- C. As part of the HIPAA Regulations, the Privacy Rule and the Security Rule (defined below) requires CE to enter into a Contract containing specific requirements with Associate prior to the disclosure of PHI, as set forth in, but not limited to, 45 CFR §§ 160.103, 164.502(e), 164.504(e), and 164.314 and contained in this Addendum.

*In consideration of the mutual promises below and the exchange of information pursuant to this Addendum, the parties agree as follows:*

#### 1. Definitions.

a. Except as otherwise defined herein, capitalized terms in this Addendum shall have the definitions set forth in the HIPAA Regulations at 45 CFR Parts 160, 162 and 164, as amended, including, but not limited to, subpart A, subpart C ("Security Rule") and subpart E ("Privacy Rule").

b. "Agreement" means both the Contract and this Addendum.

c. "Contract" means the underlying written agreement or purchase order between the parties for the goods or services to which this Addendum is added.



d. "Protected Health Information" or "PHI" means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR § 164.501.

e. "Protected Information" shall mean PHI provided by CE to Associate or created or received by Associate on CE's behalf.

## 2. Obligations of Associate.

a. Permitted Uses. Associate shall not use Protected Information except for the purpose of performing Associate's obligations under the Contract and as permitted under this Agreement. Further, Associate shall not use Protected Information in any manner that would constitute a violation of the HIPAA Regulations if so used by CE, except that Associate may use Protected Information: (i) for the proper management and administration of Associate; (ii) to carry out the legal responsibilities of Associate; or (iii) for Data Aggregation purposes for the Health Care Operations of CE. Additional provisions, if any, governing permitted uses of Protected Information are set forth in Attachment A to this Addendum.

b. Permitted Disclosures. Associate shall not disclose Protected Information in any manner that would constitute a violation of the HIPAA Regulations if disclosed by CE, except that Associate may disclose Protected Information: (i) in a manner permitted pursuant to the Contract and this Addendum; (ii) for the proper management and administration of Associate; (iii) as required by law; (iv) for Data Aggregation purposes for the Health Care Operations of CE; or (v) to report violations of law to appropriate federal or state authorities, consistent with 45 CFR § 164.502(j)(1). To the extent that Associate discloses Protected Information to a third party, Associate must obtain, prior to making any such disclosure: (i) reasonable assurances from such third party that such Protected Information will be held confidential as provided pursuant to this Addendum and only disclosed as required by law or for the purposes for which it was disclosed to such third party; and (ii) an agreement to implement reasonable and appropriate safeguards to protect the Protected Information; and (iii) an agreement from such third party to immediately notify Associate of any breaches of confidentiality of the Protected Information or any Security Incident, to the extent it has obtained knowledge of such breach. Additional provisions, if any, governing permitted disclosures of Protected Information are set forth in Attachment A.

c. Appropriate Safeguards. Associate shall implement appropriate Security Measures as are necessary to protect against the use or disclosure of Protected Information other than as permitted by the Contract or this Addendum. Associate shall maintain a comprehensive written information privacy and security program that includes Security Measures that reasonably and appropriately protect the Confidentiality, Integrity, and Availability of Protected Information relative to the size and complexity of the Associate's operations and the nature and scope of its activities.

d. Reporting of Improper Use or Disclosure. Associate shall report to CE in writing any use or disclosure of Protected Information, whether suspected or actual, other than as provided for by the Contract and this Addendum within ten (10) days of becoming aware of such use or disclosure. If the disclosure is a Major Disclosure, then the improper use or disclosure shall be reported within three (3) days. A Major Disclosure means any improper use or disclosure of over twenty-five percent (25%) of the Protected Information held by the Associate. CE and Associate will cooperate to mitigate the effects of any unauthorized use or disclosure and document the outcome.

e. Associate's Agents. If Associate uses one or more subcontractors or agents to provide services under this Agreement, and such subcontractors or agents receive or have access to Protected Information, each subcontractor or agent shall sign an agreement with Associate containing substantially the same provisions as this Addendum and further identifying CE as a third party beneficiary of the agreement with



such subcontractors or agents in the event of any violation of such subcontractor or agent agreement. Associate shall implement and maintain sanctions against agents and subcontractors that violate such restrictions and conditions and shall mitigate the effects of any such violation.

f. Access to Protected Information. Associate shall make Protected Information maintained by Associate or its agents or subcontractors in Designated Record Sets available to CE for inspection and copying within ten (10) days of a request by CE to enable CE to fulfill its obligations to permit individual access to PHI under the Privacy Rule, including, but not limited to, 45 CFR § 164.524.

g. Amendment of PHI. Within ten (10) days of receipt of a request from CE for an amendment of Protected Information or a record about an individual contained in a Designated Record Set, Associate or its agents or subcontractors shall make such Protected Information available to CE for amendment and incorporate any such amendment to enable CE to fulfill its obligations with respect to requests by individuals to amend their PHI under the Privacy Rule, including, but not limited to, 45 CFR § 164.526. If any individual requests an amendment of Protected Information directly from Associate or its agents or subcontractors, Associate must notify CE in writing within ten (10) days of receipt of the request. Any denial of amendment of Protected Information maintained by Associate or its agents or subcontractors shall be the responsibility of CE.

h. Accounting Rights. Within ten (10) days of notice by CE of a request for an accounting of disclosures of Protected Information, Associate and its agents or subcontractors shall make available to CE the information required to provide an accounting of disclosures to enable CE to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR § 164.528. As set forth in, and as limited by, 45 CFR § 164.528, Associate shall not provide an accounting to CE of disclosures made: (i) to carry out treatment, payment or health care operations, as set forth in 45 CFR § 164.506; (ii) to individuals of Protected Information about them as set forth in 45 CFR § 164.502; (iii) pursuant to an authorization as provided in 45 CFR § 164.508; (iv) to persons involved in the individual's care or other notification purposes as set forth in 45 CFR § 164.510; (v) for national security or intelligence purposes as set forth in 45 CFR § 164.512(k)(2); or (vi) to correctional institutions or law enforcement officials as set forth in 45 CFR § 164.512(k)(5). Associate agrees to implement a process that allows for an accounting to be collected and maintained by Associate and its agents or subcontractors for at least six (6) years prior to the request, but not before the compliance date of the Privacy Rule. At a minimum, such information shall include: (i) the date of disclosure; (ii) the name of the entity or person who received Protected Information and, if known, the address of the entity or person; (iii) a brief description of Protected Information disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the individual's authorization, or a copy of the written request for disclosure. In the event that the request for an accounting is delivered directly to Associate or its agents or subcontractors, Associate shall within ten (10) days of the receipt of the request forward it to CE in writing. It shall be CE's responsibility to prepare and deliver any such accounting requested. Associate shall not disclose any Protected Information except as set forth in Section 2(b) of this Addendum.

i. Governmental Access to Records. Associate shall make its internal practices, books and records relating to the use and disclosure of Protected Information available to the Secretary of the U.S. Department of Health and Human Services (the "Secretary"), in a time and manner designated by the Secretary, for purposes of determining CE's compliance with the HIPAA Regulations. Associate shall provide to CE a copy of any Protected Information that Associate provides to the Secretary concurrently with providing such Protected Information to the Secretary.

j. Minimum Necessary. Associate (and its agents or subcontractors) shall only request, use and disclose the minimum amount of Protected Information necessary to accomplish the purpose of the request, use or disclosure, in accordance with the Minimum Necessary requirements of the Privacy Rule, including, but not limited to 45 CFR §§ 164.502(b) and 164.514(d).

k. Data Ownership. Unless otherwise specified in the Contract, Associate acknowledges that Associate has no ownership rights with respect to the Protected Information. The CE retains all rights with respect to ownership of the Protected Information.



l. Retention of Protected Information. Notwithstanding Section 5(d) of this Addendum, Associate and its subcontractors or agents shall retain all Protected Information throughout the term of the Contract and shall continue to maintain the information required under Section 2(h) of this Addendum for a period of six (6) years from the date of creation or the date when it last was in effect, whichever is later, or as required by law. This obligation shall survive the termination of the Contract.

m. Destruction of Protected Information. Associate agrees to implement policies and procedures for the final disposition of electronic Protected Information and/or the hardware and equipment on which it is stored, including but not limited to, removal before re-use.

n. Notification of Breach. During the term of the Contract or this Addendum, Associate shall notify CE within twenty-four (24) hours of any suspected or actual breach of security, intrusion, or unauthorized use or disclosure of PHI and/or any actual or suspected use or disclosure of data in violation of any applicable federal or state laws or regulations. Associate shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations. CE and Associate will cooperate to mitigate the effects on any breach, Security Incident, intrusion, or unauthorized use and document the Security Incident and its outcome.

o. Audits, Inspection and Enforcement. Within ten (10) days of a written request by CE, Associate and its agents or subcontractors shall allow CE to conduct a reasonable inspection of the facilities, systems, books, records, agreements, policies and procedures relating to the use or disclosure of Protected Information pursuant to this Addendum for the purpose of determining whether Associate has complied with this Addendum; provided, however, that: (i) Associate and CE shall mutually agree in advance upon the scope, timing and location of such an inspection; (ii) CE shall protect the confidentiality of all confidential and proprietary information of Associate to which CE has access during the course of such inspection; and (iii) CE or Associate shall execute a nondisclosure agreement, if requested by Associate or CE. The fact that CE inspects, or fails to inspect, or has the right to inspect, Associate's facilities, systems, books, records, agreements, policies and procedures does not relieve Associate of its responsibility to comply with this Addendum, nor does CE's (i) failure to detect or (ii) detection, but failure to notify Associate or require Associate's remediation of any unsatisfactory practices, constitute acceptance of such practice or a waiver of CE's enforcement rights under this Agreement.

p. Safeguards During Transmission. Associate shall be responsible for using Security Measures to reasonably and appropriately maintain and ensure the Confidentiality, Integrity, and Availability of Protected Information transmitted to CE pursuant to this Agreement, in accordance with the standards and requirements of the HIPAA Regulations, until such Protected Information is received by CE, and in accordance with any specifications set forth in Attachment A.

### 3. Obligations of CE.

a. Safeguards During Transmission. CE shall be responsible for using Security Measures to reasonably and appropriately maintain and ensure the Confidentiality, Integrity, and Availability of Protected Information transmitted to Associate pursuant to this Agreement, in accordance with the standards and requirements of the HIPAA Regulations, until such Protected Information is received by Associate, and in accordance with any specifications set forth in Attachment A.

b. Notice of Changes. CE shall provide Associate with a copy of its notice of privacy practices produced in accordance with 45 CFR § 164.520, as well as any subsequent changes or limitation(s) to such notice, to the extent such changes or limitations may effect Associate's use or disclosure of Protected Information. CE shall provide Associate with any changes in, or revocation of, permission to use or disclose Protected Information, to the extent it may affect Associate's permitted or required uses or disclosures. To the extent that it may affect Associate's permitted use or disclosure of Protected Information, CE shall notify Associate of any restriction on the use or disclosure of Protected Information that CE has agreed to in accordance with 45 CFR § 164.522.



4. Term. This Addendum shall continue in effect as to each Contract to which it applies until such Contract is terminated or is replaced with a new contract between the parties containing provisions meeting the requirements of the HIPAA Regulations, whichever first occurs. However, certain obligations will continue as specified in this Addendum.

5. Termination.

a. Material Breach. In addition to any other provisions in the Contract regarding breach, a breach by Associate of any provision of this Addendum, as determined by CE, shall constitute a material breach of the Agreement and shall provide grounds for termination of the Contract by CE pursuant to the provisions of the Contract covering termination for cause. If the Contract contains no express provisions regarding termination for cause, the following shall apply to termination for breach of this Addendum, subject to 5.b.:

(1) Default. If Associate refuses or fails to timely perform any of the provisions of this Addendum, CE may notify Associate in writing of the non-performance, and if not corrected within thirty (30) days, CE may immediately terminate the Agreement. Associate shall continue performance of the Agreement to the extent it is not terminated.

(2) Associate's Duties. Notwithstanding termination of the Agreement, and subject to any directions from CE, Associate shall take timely, reasonable and necessary action to protect and preserve property in the possession of Associate in which CE has an interest.

(3) Compensation. Payment for completed performance delivered and accepted by CE shall be at the Contract price.

(4) Erroneous Termination for Default. If after such termination it is determined, for any reason, that Associate was not in default, or that Associate's action/inaction was excusable, such termination shall be treated as a termination for convenience, and the rights and obligations of the parties shall be the same as if the contract had been terminated for convenience, as described in this Addendum or in the Contract.

b. Reasonable Steps to Cure Breach. If CE knows of a pattern of activity or practice of Associate that constitutes a material breach or violation of the Associate's obligations under the provisions of this Addendum or another arrangement and does not terminate this Agreement pursuant to Section 5(a), then CE shall take reasonable steps to cure such breach or end such violation, as applicable. If CE's efforts to cure such breach or end such violation are unsuccessful, CE shall either (i) terminate this Agreement, if feasible or (ii) if termination of this Agreement is not feasible, CE shall report Associate's breach or violation to the Secretary of the Department of Health and Human Services.

c. Reserved.

d. Effect of Termination.

(1) Except as provided in paragraph (2) of this subsection, upon termination of this Agreement, for any reason, Associate shall return or destroy all Protected Information that Associate or its agents or subcontractors still maintain in any form, and shall retain no copies of such Protected Information. If Associate elects to destroy the Protected Information, Associate shall certify in writing to CE that such Protected Information has been destroyed.

(2) If Associate believes that returning or destroying the Protected Information is not feasible, including but not limited to, a finding that record retention requirements provided by law make return or destruction infeasible, Associate shall promptly provide CE notice of the conditions making return or destruction infeasible. Upon mutual agreement of CE and Associate that return or destruction of Protected Information is infeasible, Associate shall continue to extend the protections of Sections 2(a), 2(b), 2(c), 2(d)



and 2(e) of this Addendum to such information, and shall limit further use of such Protected Information to those purposes that make the return or destruction of such Protected Information infeasible.

6. Reserved.

7. No Waiver of Immunity. No term or condition of this Agreement shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protection, or other provisions of the Michigan Governmental Immunity Act, MCL 691.1401, *et seq.*, the Federal Tort Claims Act, 28 U.S.C. 2671 *et seq.*, or the common law, as applicable, as now in effect or hereafter amended.

8. Reserved.

9. Disclaimer. CE makes no warranty or representation that compliance by Associate with this Addendum, HIPAA or the HIPAA Regulations will be adequate or satisfactory for Associate's own purposes. Associate is solely responsible for all decisions made by Associate regarding the safeguarding of Protected Information.

10. Certification. To the extent that CE determines an examination is necessary in order to comply with CE's legal obligations pursuant to HIPAA relating to certification of its security practices, CE or its authorized agents or contractors, may, at CE's expense, examine Associate's facilities, systems, procedures and records as may be necessary for such agents or contractors to certify to CE the extent to which Associate's security safeguards comply with HIPAA, the HIPAA Regulations or this Addendum.

11. Amendment.

a. Amendment to Comply with Law. The parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of this Addendum may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the Privacy Rule, the Security Rule and other applicable laws relating to the security or privacy of Protected Information. The parties understand and agree that CE must receive satisfactory written assurance from Associate that Associate will adequately safeguard all Protected Information. Upon the request of either party, the other party agrees to promptly enter into negotiations concerning the terms of an amendment to this Addendum embodying written assurances consistent with the standards and requirements of HIPAA, the Privacy Rule, the Security Rule or other applicable laws. CE may terminate the Agreement upon thirty (30) days written notice in the event (i) Associate does not promptly enter into negotiations to amend this Agreement when requested by CE pursuant to this Section or (ii) Associate does not enter into an amendment to this Agreement providing assurances regarding the safeguarding of PHI that CE, in its sole discretion, deems sufficient to satisfy the standards and requirements of HIPAA, the HIPAA Regulations and other applicable laws.

b. Amendment of Attachment A. Attachment A may be modified or amended by mutual agreement of the parties in writing from time to time without formal amendment of this Addendum.

12. Assistance in Litigation or Administrative Proceedings. Associate shall make itself, and any subcontractors, employees or agents assisting Associate in the performance of its obligations under this Agreement, available to CE, at no cost to CE, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against CE, its directors, officers or employees, departments, agencies, or divisions based upon a claimed violation of HIPAA, the HIPAA Regulations or other laws relating to security and privacy of Protected Information, except where Associate or its subcontractor, employee or agent is a named adverse party.

13. No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than CE, Associate and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.



14. Effect on Contract. Except as specifically required to implement the purposes of this Addendum, or to the extent inconsistent with this Addendum, all other terms of the Contract shall remain in force and effect. This Addendum is incorporated into the Contract as if set forth in full therein. The parties expressly acknowledge and agree that sufficient mutual consideration exists to make this Addendum legally binding in accordance with its terms. Associate and CE expressly waives any claim or defense that this Addendum is not part of the Agreement between the parties under the Contract.

15. Interpretation and Order of Precedence. This Addendum is incorporated into and becomes part of each Contract identified herein. Together, this Addendum and each separate Contract constitute the "Agreement" of the parties with respect to their Business Associate relationship under HIPAA and the HIPAA Regulations. The provisions of this Addendum shall prevail over any provisions in the Contract that may conflict or appear inconsistent with any provision in this Addendum. This Addendum and the Contract shall be interpreted as broadly as necessary to implement and comply with HIPAA and the HIPAA Regulations. The parties agree that any ambiguity in this Addendum shall be resolved in favor of a meaning that complies and is consistent with HIPAA and the HIPAA Regulations. This Addendum supercedes and replaces any previous separately executed HIPAA addendum between the parties. In the event of any conflict between the mandatory provisions of the HIPAA Regulations and the provisions of this Addendum, the HIPAA Regulations shall control. Where the provisions of this Addendum differ from those mandated by the HIPAA Regulations, but are nonetheless permitted by the HIPAA Regulations, the provisions of this Addendum shall control.

16. Effective Date. This Addendum is effective upon receipt of the last approval necessary and the affixing of the last signature required.

17. Survival of Certain Contract Terms. Notwithstanding anything herein to the contrary, Associate's obligations under Section 5(d) and record retention laws ("Effect of Termination") and Section 13 ("No Third Party Beneficiaries") shall survive termination of this Agreement and shall be enforceable by CE as provided herein in the event of such failure to perform or comply by the Associate.

18. Representatives and Notice.

a. Representatives. For the purpose of this Agreement, the individuals identified in the Contract shall be the representatives of the respective parties. If no representatives are identified in the Contract, the individuals listed below are hereby designated as the parties' respective representatives for purposes of this Agreement. Either party may from time to time designate in writing new or substitute representatives.

b. Notices. All required notices shall be in writing and shall be hand delivered or given by certified or registered mail to the representatives at the addresses set forth below.

Covered Entity Representative:

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Department and Division: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Business Associate Representative:

Name: David Aro  
Title: General Manager  
Department and Division: Administration  
Address: 1310 S. Front Street  
Suite C  
Marquette, MI 49855



**RFP-KG-5111320032**



Any notice given to a party under this Addendum shall be deemed effective, if addressed to such party, upon:  
(I) delivery, if hand delivered; or (II) the third (3<sup>rd</sup>) Business Day after being sent by certified or registered mail.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum as of  
the Addendum Effective Date.

**Associate**

**Covered Entity**

[INSERT NAME]

[INSERT NAME]

By: 

By: \_\_\_\_\_

Print Name: David Aro

Print Name: \_\_\_\_\_

Title: General Manager

Title: \_\_\_\_\_

## D.J. JACOBETTI HOME FOR VETERANS

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### ATTACHMENT C – DJJHV Bloodborne Infectious Diseases Policy

#### PURPOSE

The purpose of this policy is to provide an Exposure Control Plan with guidelines, policies, and procedures to eliminate or minimize occupational exposure to bloodborne pathogens in accordance with MIOSHA rules 325.70001-70018, "Occupational Exposure to Bloodborne Infectious Diseases".

#### POLICY

The D.J. Jacobetti Home for Veterans is committed to providing a safe and healthful work environment for all staff thereby eliminating and minimizing occupational exposure to bloodborne pathogens in accordance with MIOSHA rules 325.70001-70018. "Occupational Exposure to Bloodborne Infectious Diseases."

#### DEFINITIONS

Occupational Exposure: "Occupational exposure means reasonably anticipated skin, eye, mucous membrane, or parenteral contact with blood or other potentially infectious materials that may result from the performance of an employee's duties" ... definition according to Occupational Safety and Health Administration (OSHA). Exposure does not include incidental exposure which may take place

on the job, which are neither reasonably nor routinely expected, and which the worker is not required to incur in the normal course of employment.

Exposure incident: A specific eye, mouth, or mucous membrane, non-intact skin, or parenteral contact with blood or other potentially infectious material that results from the performance of an employee's duties.

Bloodborne pathogen: Micro-organisms that are present in human blood and can cause disease in humans. These are called "pathogenic" and include, but are not limited to Hepatitis B Virus (HBV), and the virus that causes AIDS called Human Immunodeficiency Virus (HIV).

Blood: The term "human blood components" includes plasma, platelets, and serosanguineous fluids (e.g., exudates from wounds).

Work Area: The area where work-involving exposure to blood or OPIM exists, along with the potential contamination of surfaces.

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Other Potentially Infectious Materials (OPIM): Semen, vaginal secretions, amniotic fluid, cerebrospinal fluid, pericardial, synovial fluid, peritoneal, pleural fluid, saliva, any body fluid visibly contaminated with blood, all situations where it is difficult or impossible to differentiate between body fluids, and any unfixed tissue, other than intact skin from a living or dead human.

Parenteral: Exposure occurring as a result of piercing mucous membranes or on the skin barrier (i.e. exposure through subcutaneous, intramuscular, intravenous, or arterial routes resulting from needlesticks, human bites, cuts, and abrasions.

Contaminated: The presence or the reasonably anticipated presence of blood or other potentially infectious material on an item or surface.

Contaminated laundry: laundry which has been soiled with blood or other potentially infectious materials or which may contain sharps.

Contaminated sharps: any contaminated object that can penetrate the skin, including needles, scalpels, broken glass.

Engineering controls: controls, such as sharps disposal containers, self-sheathing needles or safer medical devices, such as sharps with engineered sharps injury protections and needleless systems that isolate or remove the bloodborne pathogen from the workplace.

Needleless systems: a device that does not use needles for the collection or withdrawal of bodily fluids after initial venous or arterial access is established; the administration of medication or fluids; any other procedure involving the potential for occupational exposure to bloodborne pathogens due to percutaneous injuries from contaminated sharps.

Personal protective equipment (PPE): specialized clothing or equipment worn to protect employees from a hazard. General work clothes, such as uniforms, pants, shirts, or blouses are not considered PPE.

Sharps with engineered sharps injury protections: Non needle sharp or a needle device used for withdrawing body fluids, accessing a vein or artery, or administering medications or other fluids, and has a built-in safety feature as a mechanism that effectively reduces the risk of an exposure incident.

Universal Precautions: a method of infection control that treats all human blood and other potentially infectious material as capable of transmitting HIY, HBV, and other bloodborne pathogens.

Work practices: Controls that reduce the likelihood of exposure to bloodborne pathogens by altering the manner in which a task is performed.

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#### Regulated Waste:

- I. Liquid or semi-liquid blood or OPIM.
2. Items contaminated with blood or OPIM and which would release these substances in a liquid or semi-liquid state if compressed.
3. Items that are caked with dried blood or OPIM and are capable of releasing these materials during handling.
4. Contaminated needles and other sharps.
5. Pathological and microbiological wastes containing blood or OPIM.

#### SCOPE:

The Infection Control Coordinator will be responsible for implementing and maintaining the Exposure Control Plan (ECP) at least annually, and whenever necessary to include new or modified tasks and procedures, after review by the Infection Control Committee.

#### I. Employee Exposure Determination

Job positions have been evaluated to determine if such position requires the performance of any duty that involves the exposure, and/or potential exposure to blood or body fluids. The employees in those positions determined to have exposure, potential exposure to blood or OPIM must comply with procedures and work practices outlined in this ECP.

Job Classifications requiring the performance of such tasks are appropriately identified and explained to each employee prior to or upon employment. Job positions have been classified as follows:

#### Group A\*

#### Exposure To Blood/Body Fluids Likely

Activities Supervisor	Occupational Therapist	Physician
Activities Therapy Aides	Speech Therapist	Dentist
Physical Therapist	Lab Technician	Dietary Staff
Physical Therapy Aides	Dental Hygienist	Barber/Beautician
Director of Nursing	Social Workers	Physician's Assistant
Housekeeping Staff	Licensed Practical Nurses	Maintenance Staff
Registered Nurses	Resident Care Aides	Physical Plant
Infection Control/Quality Assurance/In-service Coordinators		

\*Employees noted above with likely exposure to Blood/Body Fluid must sign a Hepatitis B declaration form declaring whether or not they choose to receive the Hepatitis B Vaccine.

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### II. Methods of Implementation and Control:

#### Exposure Control Precautions (Methods of Compliance)

##### A. Universal Precautions (See Policy# 07-18, Universal Precautions)

All member's blood and body fluids are to be considered potentially infectious. Protective barriers and gloves will be utilized to reduce the risk of occupational exposure in the handling of blood, body fluids, and other potentially infectious materials, and, to prevent injuries caused by needles and other contaminated sharp objects.

##### B. Exposure Control Plan

All employees will receive Bloodborne Pathogen and Exposure Control Plan training during orientation to the Home and annually thereafter. In addition, all employees have an opportunity to review these policies during their shift.

##### C. Standard Operating Procedures

Standard Operating Procedures shall be used when performing the following tasks involving occupational exposure to bloodborne pathogens:

#### TASK/PROCEDURES:

##### Member Care

Procedures  
Linen handling and transporting  
Sharps disposal  
Handling percutaneous  
devices Environmental  
cleaning Equipment cleaning  
Equipment repair  
Cleaning blood and body fluids  
Trash removal  
Handling regulated waste  
Pickup of Sharps containers  
Serving of member meals  
Stripping of food trays after  
meals

(These tasks shall be reviewed in employee training, including specific policies and procedures.)

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### D. Contingency Plans

Where circumstances can be foreseen in which recommended Standard Operating Procedures can not be followed, contingency plans for employee protection, incident investigation, and medical follow-up shall be established (see Administrative Policy 07-10 Employee Exposure to Member's Blood/Body Fluids).

### E. Engineering Control and Work Practices (Policy #07-18, Universal

Precautions) Engineering controls and work practice controls will be used to prevent or minimize exposure to bloodborne pathogens.

1. Handwashing will be done immediately or as soon as possible after removal of gloves or other PPE.
2. Employees will wash hands and any other skin with soap and water, or flush mucous membranes with water immediately or as soon as feasible following contact of such body areas with blood or potentially infectious material. (See Administrative Policy 07-10 Employee Exposure to Member's Blood/Body Fluids).
3. When handwashing facilities are not available,- hand cleanser shall be used for cleansing hands. Hands are then to be washed with soap and running water as soon as possible.
4. Eating and drinking are permitted in the break rooms, employee lounges, the canteen and day rooms only.
5. Food and drink shall not be stored in the refrigerator in the Soiled Utility Room on I East that is designated for lab specimens.
6. Universal precautions and appropriate PPE when it can be reasonably anticipated there may be contact with blood or OPIM, or when handling or touching contaminated items or surfaces, are to be used when handling any and all specimens.

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7. Handling and disposal of Sharps will be as follows (See Administrative Policy 07-18).

- a) Available safety syringes and needless intravenous systems must be utilized.
- b) Contaminated needles will not be recapped.
- c) Bending, breaking, or shearing of contaminated needles is prohibited.
- d) A brush and dustpan must be used to clean up broken glass. Broken glass is to be disposed of in the Broken Glass Sharps, or Medical Waste Containers in the soiled utility rooms.
- e) Red, puncture resistant sharps containers, which are leak-proof, will be

kept in each med room and on each med cart for needle disposal, in each shower room for disposable razors, and for other items that caregivers may use in providing care.

Disposable Sharps must be discarded immediately after use into the

Sharps container.

The Sharps Container will be closed by nursing staff when <sup>74</sup> full, the lid taped in place, and placed in the med room. The Storekeeper will pick them up once daily.

The need for engineering control and work practice changes will be monitored and evaluated via various systems, including but not limited to: feedback during employee trainings; and Health & Safety, Infection Control, Sharps Injury Prevention Committee Meetings, and review of Sharps Injury Logs.

Product evaluation and recommendation will be documented and completed by the Sharps Injury Prevention Committee. The Infection Control Committee will ensure effective implementation of the recommendations.

#### F. Personal Protective Barriers (also see Policy 7-18, Universal Precautions)

- I. Personal protective equipment (PPE) is available and stored on each nursing unit in the clean utility room. Likewise, such equipment is stored in other areas; i.e., Physical Therapy Room, Day rooms (for Activities staff). These barriers include gloves, gowns, masks, protective eyewear and ventilation masks, and are to be used to prevent blood or other potentially infectious materials from passing through to the skin and clothing underneath. If unavailable, the Departmental Supervisor shall be notified who will ensure the items are available.
- 2. All personal protective equipment (PPE) shall be removed immediately or as soon as possible upon leaving a work area and placed in designated containers/areas for washing, decontamination, or disposal.

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3. To ensure that employees comply with the required protective practices, routine surveillance rounds will be made of the work areas by the Infection Control Department and/or designated supervisor to assess (a) handwashing practices and (b) protective practices during specific tasks.

G. Housekeeping (See Administrative Policy No. 07-18, Universal Precautions):

1. Cleaning and decontamination of environment, equipment, and work surfaces on a routine basis are required, and must be completed after any contact with blood or potentially infectious materials.
2. Regulated wastes (see Administrative Policy #07-02, Body Fluid Spill Cleanup; 07-15, Garbage Refuse and regulated Waste Containers) will be contained in closable, color coded (or labeled with bio-hazard signs) containers, which are leak-proof during storing, transporting, or shipping. Although Universal Precautions are utilized, color-coding or labeling will also alert those employees who do not normally come in contact with waste as to the materials contained in the containers.
3. The procedure for handling Sharps disposal will be followed (see Administrative Policy 07-18, Universal Precautions/Sharps Disposal).

H. Laundry (See Administrative Policy #07-45, Soiled Linen Procedure)

1. All personnel handling soiled laundry are at risk of exposure to bloodborne pathogens and, therefore, universal precautions and the use of appropriate PPE must be followed, thereby preventing the potential for exposure incidents.
2. Contaminated laundry shall be handled as little as possible, with a minimum of agitation.
3. Wet contaminated laundry will be placed in leak-proof containers before transport.

I. Labels/Hazard Communication (See also Administrative Policy #07-21, Body Fluid Spill Cleanup, #07-18, Universal Precautions)

- I. Containers of regulated waste shall be labeled or color-coded as follows:
  - a. Sharps- container is puncture resistant and is red and/or is labeled with the bio-hazard symbol.
  - b. Medical waste- container is red and/or is labeled with the bio-hazard symbol.



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#### III. Hepatitis B Vaccination (See Policy 07-09, Hepatitis B Vaccine Protocol and 07-10, Exposure to Member's Blood/Body Fluids.

The Infection Control Department will provide training to employees on Hepatitis B Vaccination, addressing the safety, benefits, efficacy, methods of administration and availability.

The Hepatitis B Vaccination series is available at no cost after training and within 10 days of initial assignment for Civil Service Employees identified in the exposure determination section of this plan. Arrangements regarding contractual employees will be made with each individual contractor. The Infection Control Department will administer the Hepatitis Vaccination series. Post-exposure evaluation and follow-up is to be done on ALL employees who sustain an occupational exposure.

Vaccination is encouraged unless: 1) documentation exists that the employee has previously received the series; 2) antibody testing reveals the employee is immune; 3) medical evaluation shows the vaccination is contraindicated. If an employee chooses to decline vaccination, the employee must sign a copy of the declination form (See attachment). Employees who decline may request and obtain the vaccination at a later date at no cost.

Documentation of the vaccination series and/or refusal will be kept in the Personnel Office.

The University, prior to the students' clinical placement at the facility, will determine nursing students' Hepatitis B Vaccine status. Written verification in the form of a field service agreement will be submitted to the Director of Nursing and provided to the Infection Control Department. The field service agreement will provide for assurance that all faculty and students adhere to the same health requirements as those specified for the Home's personnel.

#### IV. Post-Exposure Evaluation and Follow-up

- A. "Universal Precautions" shall be utilized, on all members' blood and body fluids, including those recommended by the Center for Disease Control (CDC): "semen, vaginal secretions, cerebrospinal fluid, synovial fluid, pleural fluid, saliva in dental procedures, any body fluid that is visibly contaminated with blood, and all body fluids in situations where it is difficult or impossible to differentiate between body fluids" will be considered as potentially infectious.
- B. All exposures to blood and/or body fluids are to be reported immediately to your immediate supervisor at which time immediate first aid (i.e. cleansing of wound, flushing of eye(s) or mucous membrane) and medical referral for evaluation will occur  
(See Administrative Policy 07-10 Employee Exposure to Member's Blood/Body Fluids).

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### V. Administration of Post-Exposure Evaluation and Follow-up

- A. The employee will ensure that the evaluating health care professional of the exposure incident is made aware of:
  - 1. A description of the employee's job duties relevant to the exposure incident
  - 2. Route and circumstances of exposure
  - 3. Vaccination status
- B. The employee will be provided a copy of the evaluating health care professional's written opinion within 5 days after its completion.

### VI. Procedures for Evaluating an Exposure Incident

The Infection Control Department will review the circumstances of all exposure incidents (See Administrative Policy 07-10), determining and ensuring any changes in practice or revisions that need to be made are made to the ECP.

### VII. Employee Training (See Administrative Policy #07-09, Hepatitis B Vaccine Protocol).

- A. Upon hire, and annually thereafter, all employees will attend a training program, which includes the following content:
  - 1. A copy and explanation of the Bloodborne Infectious Diseases Standard.
  - 2. Discussion of Hepatitis B and the HIV virus, including modes of transmission.
  - 3. A review of the facility's exposure control plan, including limitation of engineering controls, appropriate work practices and personal protective

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equipment. Also included shall be opportunities for supervised practice with personal protective equipment and other equipment designed to reduce the likelihood for exposure.

4. An explanation of methods to recognize tasks and other activities that may involve exposure to blood and OPIM, including what constitutes an exposure incident.
5. Information regarding the Hepatitis B Vaccine.
6. Information on the appropriate actions to take in the event of exposure to blood or other potentially infectious materials.
7. The procedure to follow if an exposure incident occurs, including the method of reporting the incident and the medical follow-up available.
8. Information on the post-exposure evaluation follow-up to the employee following an exposure incident.
9. An explanation of signs, labels, and/or color-coding utilized by the facility to label regulated waste.

### VIII. Record Keeping

#### A. Medical Records (See Administrative Policy #07-09, Hepatitis B Vaccine Protocol and #07-10, Exposure to Member's Blood/Body Fluids)

- I. Records for each employee at risk for occupational exposure to bloodborne pathogens will be established by the Infection Control Coordinator and added to the existing confidential employee medical records, which are maintained by the Personnel Department. These records will be retained for the duration of employment plus 30 years, and shall include:
  - a. Employee's name and Social Security number,
  - b. Hepatitis B vaccination status,
  - c. Post-exposure follow-up information, documentation of the incident, and medical testing and follow-up procedures performed.

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### B. Training Records

Training records will be completed for each employee upon completion of training. These documents will be kept for at least three years in the Employee's Personnel File.

The training records will include the dates of training, a summary of the sessions, name and qualification of persons conducting the training, and the name/job title of persons attending the training.

### C. Sharps Injury Log

A Sharps Injury Log, including type and brand of device involved in injury; department/work area where exposure occurred; and an explanation of how incident occurred, will be maintained in order to record percutaneous injuries from contaminated Sharps. The log will be recorded and maintained by the Personnel Department in a manner that protects the confidentiality of the employee.

### REFERENCES:

Administrative Policy No. 07-09

Administrative Policy No. 07-I 0

Administrative Policy No. 07-18

Administrative Policy No. 07-21

Administrative Policy No. 07-45

OSHA Federal Regulation, Part 1910 of Title 29 of the Code of Federal Regulations

Department of Consumer and Industry Services Directors Office

-Standard, Blood borne Infectious Diseases (R 325.70001 - R 325.70018).

## D.J. JACOBETTI HOME FOR VETERANS

MEMBER PROTECTED HEALTH INFORMATION (PHI)  
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### ATTACHMENT D - DJJHV Member Protected Health Information Confidentiality Policy

#### PURPOSE

The purpose of this policy is to describe how the D.J. Jacobetti Home for Veterans will maintain the confidential nature of a member's protected health information (PHI) and to set forth policy and procedures regarding the minimum necessary requirements for use and disclosure of PHI. This policy will describe the steps to follow in the case of a security breach of personal identifiable/sensitive information incidents.

#### POLICY

It is the policy of the D.J. Jacobetti Home for Veterans to ensure a member's medical information is collected, maintained, and disseminated in accordance with existing regulations and State and Federal laws that address member PHI. The D.J. Jacobetti Home for Veterans will make reasonable efforts, based upon its professional judgment to use, disclose, and/or request only that PHI which is minimally necessary to accomplish the purpose of the use, disclosure, and/or request. The D.J. Jacobetti Home for Veterans personnel will preserve the integrity and the confidentiality of medical and other sensitive information pertaining to our members.

It is the policy of the D.J. Jacobetti Home for Veterans to maintain an access grid that outlines which employees and contractors are considered authorized users of the protected health information and any restrictions or limitations on what can be accessed.

Further, it is the policy to ensure the D.J. Jacobetti Home for Veterans and its officers, employees, and agents have the necessary medical and other information to provide the highest quality medical care possible while protecting the confidentiality of that information to the highest degree possible so that members do not fear providing information to the D.J. Jacobetti Home for Veterans and its officers, employees, and agents for purposes of treatment. To that end the D.J. Jacobetti Home for Veterans and its officers, employees, and agents will:

- "Y Collect and use individual medical information only for the purposes of providing medical services and for supporting the delivery, payment, integrity, and quality of those services. The D.J. Jacobetti Home for Veterans and its officers, employees, and agents will not use or supply individual medical information for non-health care uses, such as direct marketing, employment, or credit evaluation purposes.
- "Y Collect and use individual medical information only:
  - To provide proper diagnosis and treatment.
  - With the member's knowledge and consent.
  - To receive reimbursement for services provided.
  - For research and similar purposes designed to improve the quality and to reduce the cost of health care.

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CONFIDENTIALITY POLICY  
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- As a basis for required reporting of health information.
- ? Recognize that medical information collected about members must be accurate, timely, complete, and available when needed. The D.J. Jacobetti Home for Veterans and its officers, employees, and agents will:
  - Use their best efforts to ensure the accuracy, timeliness, and completeness of data and to ensure that authorized personnel can access it when needed.
  - Complete and authenticate medical records in accordance with the law, medical ethics, and accreditation standards.
  - Maintain medical records for the retention periods required by law and professional standards.
  - Not alter or destroy an entry in a record, but rather designate it as an error while leaving the original entry intact and create and maintain a new entry showing the correct data.
  - Implement reasonable measures to protect the integrity of all data maintained about patients.

Recognize that members have a right of privacy. The D.J. Jacobetti Home for Veterans and its officers, employees, and agents will respect the members individual dignity at all times. The D.J. Jacobetti Home for Veterans and its officers, employees, and agents will respect the member's privacy to the extent consistent with providing the highest quality medical care possible and with the efficient administration of the facility.

Act as responsible information stewards and treat all individual medical record data and related financial, demographic, and lifestyle information as sensitive and confidential. Consequently the D.J. Jacobetti Home for Veterans and its officers, employees, and agents will:

- Treat all individual medical record data as confidential in accordance with professional ethics, accreditation stands, and legal requirements.
- Not divulge medical record data unless the member (or his or her authorized representative) has properly consented to the release or the release is otherwise authorized by law, such as communicable disease reporting, child abuse reporting, and the like.
- When releasing medical record data, take appropriate steps to prevent

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unauthorized redisclosures, such as specifying that the recipient may not further disclose the information without member consent or as authorized by law.

- Implement reasonable measures to protect the confidentiality of medical and other information maintained about members.
- Remove member identifiers when appropriate, such as in statistical reporting and in medical research studies.
- Not disclose financial or other member information except as necessary for billing or other authorized purposes as authorized by law and professional standards.
- The Home will ensure to the extent practicable the confidentiality of social security numbers held by the Home. Social security numbers will not be disclosed to those outside the Home, except as authorized by law. Access to information or documents that contain social security numbers will be limited to those requiring access.
- More than four (4) sequential digits of a social security number will not be publicly displayed; used as an account number, password, or identifier; or included in or on any document sent outside the Home, except as authorized by law. Social security numbers may be used to identify employees (including contractual employees) in various personnel forms, records and legal documents; and for other business-necessitated purposes authorized by law.
- Any documents containing social security numbers will be shredded when disposed of; or in some other manner social security numbers will be removed or made unreadable.
- Violation of this policy may result in disciplinary action up to and including dismissal. Employees who violate the Social Security Number Privacy Act may also be subject to criminal prosecution and civil liability in accordance with the Act.

Recognize that some medical information is particularly sensitive, such as HIV/AIDS information, mental health and developmental disability information, alcohol and drug abuse information, and other information about sexually transmitted or communicable diseases and that disclosure of such information could severely harm members, such as by causing loss of employment opportunities and insurance coverage, as well as the pain of social stigma. Consequently, the D.J. Jacobetti Home for Veterans and its officers, employees, and agents will treat such information with additional confidentiality protections as required by law, professional ethics, and accreditation requirements.

Recognize that, although the D.J. Jacobetti Home for Veterans owns the medical

## D.J. JACOBETTI HOME FOR VETERANS

MEMBER PROTECTED HEALTH INFORMATION (PHI)  
CONFIDENTIALITY POLICY  
DATE: 04/13/12

SEC POLICY PAGE  
09 40 4

records, the member has a right of access to information contained in the record. The D.J. Jacobetti Home for Veterans and its officers, employees, and agents will:

- Permit members access to their medical records except when access would be detrimental to the patient under the so-called "therapeutic exception". In such cases, the D.J. Jacobetti Home for Veterans and its officers, employees, and agents will provide an authorized representative access to the member records in accordance with law, professional ethics, and accreditation requirements. (See Policy #09-35, Access to Protected Health Information).
- Provide members an opportunity to request correction of inaccurate data in their records in accordance with the law and professional standards. (See Policy #09-50, Amendments to Protected Health Information).

All officers, agents, and employees of the D.J. Jacobetti Home for Veterans must adhere to this policy. The D.J. Jacobetti Home for Veterans will not tolerate violations of this policy. Violation of this policy is grounds for disciplinary actions, up to and including termination of employment and criminal or professional sanctions in accordance with the D.J. Jacobetti Home for Veterans medical information sanction policy and personnel rules and regulations.

### LEGAL AUTHORITY

Dept. Of Consumer & Industry Services "Rules for Nursing Homes and Nursing Care Facilities, R325.21102, Rule 1102.

Veterans Administration Operations Manual Medical Administration Activities, M-1, Part I, Chapter 3, "State Veterans Homes"; 3.04 Health Records.

Health Insurance Portability and Accountability Act of 1996 (HIPAA), Privacy & Security Regulations.

Public Act 454 of 2004, the "Social Security Number Privacy Act".

Identity Theft Protection Act (Act 452, P.A. 2004), as amended by Michigan Senate Bill 309, dated 11/30/2006.

### DEFINITIONS

Member	Any and all residents examined and/or treated by the D.J. Jacobetti Home for Veterans
Agency	D.J. Jacobetti Home for Veterans, 425 Fisher Street, Marquette, MI 49855
Protected Health Information	Information that identifies an individual or can reasonably be used to identify an individual which is created by the Facility and relates to all aspects of care, billing, and health condition.
Active Records	Records maintained for those members currently receiving services.



Discharged Records Records of an individual no longer receiving service.

## STANDARDS

The agency will ensure that a member's medical information is accessed only by authorized agency staff.

When using or disclosing PHI, or when requesting PHI from another covered entity, the Jacobetti Home will make reasonable efforts to limit PHI to the minimum necessary to accomplish the intended purpose of the use, disclosure, or request, unless an exception applies.

The agency will provide adequate and secure storage area for active and discharged medical records. All staff will attend an annual mandatory in-service on confidentiality. A record of this will be kept in the personnel file. (See Policy 09-75, "HIPAA Training").

## PROCEDURE

### WHO

Administrative Department  
Supervisor/Administrator

### DOES WHAT

1. Ensures that only authorized agency staff can access protected health information and they are aware of the confidential nature of health information, as well as the member's right to privacy.
2. Assures the closed record storage area is locked at all times and only authorized staff can access the area.
3. Assures storage and/or destruction of PHI is in compliance with Policy #09-15 (Storage and Destruction of Member Medical/Clinical Records and PHI) for all active and discharged medical records.
4. Ensures that all disclosures are in accordance with Policy #09-30 (Member Use & Disclosure of Protected Health Information) and Policy #09-35 (Access to Protected Health Information).

## ATTACHMENT

- A. Employee/Contractor Access to PHI Grid
- B. Authorization/Copy Charge Grid

DMVA - DJJHV

Contract #511B3200025



# ATTACHMENT E - Sample DJJHV Contractor Monthly Time Tracking Form

NAME \_\_\_\_\_ Period Covered \_\_\_\_\_

CONTRACTUAL SERVICES INVOICE  
For billing contract services to the  
D.J.Jacobetti Home for Veterans

Month								
DATE	SERVICE/PROJECT	sign in	lunch out	lunch in	sign out	Total hrs	spvr intls	
_____	_____	_____	_____	_____	_____	_____		
_____	_____	_____	_____	_____	_____	_____		
_____	_____	_____	_____	_____	_____	_____		
_____	_____	_____	_____	_____	_____	_____		
_____	_____	_____	_____	_____	_____	_____		
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_____	_____	_____	_____	_____	_____	_____		
_____	_____	_____	_____	_____	_____	_____		
_____	_____	_____	_____	_____	_____	_____		
_____	_____	_____	_____	_____	_____	_____		
_____	_____	_____	_____	_____	_____	_____		

TOTAL HOURS \_\_\_\_\_

\_\_\_\_\_  
Signature - Contractor

\_\_\_\_\_  
Signature  
DJJHV Authorized Representative

INFORMATION RECORDED ON THIS DOCUMENT IS FOR INFORMATION  
PURPOSES ONLY AND THIS INDIVIDUAL IS NOT AN EMPLOYEE OF  
THIS FACILITY.

## ATTACHMENT F

### D.J. JACOBETTI HOME FOR VETERANS

#### BACKGROUND CHECKS

DATE: 10/08/12

SEC	POLICY	PAGE
14	14	1

#### PURPOSE

The purpose of this policy is to describe how the D.J. Jacobetti Home for Veterans will adhere to State and Federal requirements regarding background and license checks.

#### POLICY

It shall be the policy of the D. J. Jacobetti Home for Veterans to perform a criminal background check before employing any person, including independent contractors and those seeking clinical privileges. Background checks will also be performed on all individuals who regularly have direct access to or provide direct services to residents (See Policy 02-20, "Voluntary Service Management").

#### PROCEDURE

##### WHO

##### DOES WHAT

Applicant

1. At time of interview, completes ADM/043, Employment Application (Attachment G).

NOTE: The applicant shall be *conditionally* employed until the results of the criminal history check and pre-employment drug screening have been obtained.

Applicant (Employees, Volunteers)  
and Potential Members (as needed)

2. Provides other identifying information such as, social security number, address, phone number and place of birth.

Personnel Office

3. Completes a Background check on the Michigan State Police ICHAT system (see Attachment A).
4. Completes a check on the Michigan Public Sex Offender Registry (PSOR) (see Attachment B).
5. Runs a report on the HHS Office of Inspector General, List of Excluded Individuals/Entities (LEIE) (See Attachment C).
6. Performs a check on the Michigan Department of Corrections Offender Tracking Information System (OTIS) (see Attachment E).
7. Verifies applicable licenses on the State of Michigan license verification web-site (Attachment D).

## **D.J. JACOBETTI HOME FOR VETERANS**

### **BACKGROUND CHECKS**

**DATE: 10/08/12**

### **SEC POLICY PAGE**

**14 14 2**

- |                   |     |  |
|-------------------|-----|--|
|                   | 8.  | Performs a nurse aide registry check at Thomson Prometric (see Attachment H).  |
|                   | 9.  | Maintains copies of verifications in individual personnel files for employees.   |
|                   | 10. | Forwards background checks to Volunteer Coordinator for volunteers.  |
|                   | 11. | Notifies Administrator or Director of Nursing of any abnormal findings on the above-listed searches.   |
| Financial Analyst | 12. | Maintains copies of criminal background check for all contractual employees  |
| Administrator     | 13. | Makes decision upon any action regarding findings on a case-by-case basis. Any criminal findings will be sent to the licensing department, who will summarize the findings and notify both the provider and applicant. |
| New Employee      | 14. | Completes ADM/052, Employee Agreement to Disclose Arraignment and/or Conviction (See Attachment F).  |

### **LEGAL AUTHORITY**

Michigan Public Act 303 of 2002; 333.20173 of the Michigan Public Health Code (Act 368 of 1978).  
Michigan Public Acts 26, 27, 28, and 29 of 2006.

### **Reference**

D.J. Jacobetti Home for Veterans Policy #14-20, Licensure of Facility Staff  
Legal Guide for the Criminal History Background Check (Public Acts 28 of 2006)

### **ATTACHMENTS**

- A. Home Page for Michigan State Police Internet Criminal History Access Tool (ICHAT).
- B. Sample webpage for Michigan State Police Public Sex Offender Registry (PSOR).
- C. Sample webpage for HHS Office of Inspector General List of Excluded Individuals/Entities (LEIE).
- D. Sample webpage to Verify a Health Professional License.
- E. Sample webpage for OTIS.
- F. DJJHV Employee Agreement to Disclose Arraignment and/or Convictions ADM/052
- G. DJJHV Employment Application ADM-043.
- H. Sample webpage for Thomson Prometric.

## D.J. JACOBETTI HOME FOR VETERANS

### BACKGROUND CHECKS

DATE: 10/08/12

SEC POLICY PAGE

14 14 3

Prepared by: \_\_\_\_\_  
Susan Feldhauser, Personnel Analyst

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_  
Tina Lynch, Director of Nursing

Date: \_\_\_\_\_

Approved by: \_\_\_\_\_  
Bradford Slagle, Administrator

Date: \_\_\_\_\_

## D.J. JACOBETTI HOME FOR VETERANS

### BACKGROUND CHECKS

DATE: 10/08/12

SEC POLICY PAGE

14 14 1

### PURPOSE

The purpose of this policy is to describe how the D.J. Jacobetti Home for Veterans will adhere to State and Federal requirements regarding background and license checks.

### POLICY

It shall be the policy of the D. J. Jacobetti Home for Veterans to perform a criminal background check before employing any person, including independent contractors and those seeking clinical privileges. Background checks will also be performed on all individuals who regularly have direct access to or provide direct services to residents (See Policy 02-20, "Voluntary Service Management").

### PROCEDURE

#### WHO

#### DOES WHAT

Applicant

1. At time of interview, completes ADM/043, Employment Application (Attachment G).

NOTE: The applicant shall be *conditionally* employed until the results of the criminal history check and pre-employment drug screening have been obtained.

Applicant (Employees, Volunteers)  
and Potential Members (as needed)

2. Provides other identifying information such as, social security number, address, phone number and place of birth.

Personnel Office

3. Completes a Background check on the Michigan State Police ICHAT system (see Attachment A).
4. Completes a check on the Michigan Public Sex Offender Registry (PSOR) (see Attachment B).
5. Runs a report on the HHS Office of Inspector General, List of Excluded Individuals/Entities (LEIE) (See Attachment C).
6. Performs a check on the Michigan Department of Corrections Offender Tracking Information System (OTIS) (see Attachment E).
7. Verifies applicable licenses on the State of Michigan license verification web-site (Attachment D).

## **D.J. JACOBETTI HOME FOR VETERANS**

### **BACKGROUND CHECKS**

**DATE: 10/08/12**

### **SEC POLICY PAGE**

**14 14 2**

- |                   |     |  |
|-------------------|-----|--|
|                   | 8.  | Performs a nurse aide registry check at Thomson Prometric (see Attachment H).  |
|                   | 9.  | Maintains copies of verifications in individual personnel files for employees.   |
|                   | 10. | Forwards background checks to Volunteer Coordinator for volunteers.  |
|                   | 11. | Notifies Administrator or Director of Nursing of any abnormal findings on the above-listed searches.   |
| Financial Analyst | 12. | Maintains copies of criminal background check for all contractual employees  |
| Administrator     | 13. | Makes decision upon any action regarding findings on a case-by-case basis. Any criminal findings will be sent to the licensing department, who will summarize the findings and notify both the provider and applicant. |
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- D. Sample webpage to Verify a Health Professional License.
- E. Sample webpage for OTIS.
- F. DJJHV Employee Agreement to Disclose Arraignment and/or Convictions ADM/052
- G. DJJHV Employment Application ADM-043.
- H. Sample webpage for Thomson Prometric.

## **D.J. JACOBETTI HOME FOR VETERANS**

### **BACKGROUND CHECKS**

**DATE: 10/08/12**

**SEC POLICY PAGE**

**14 14 3**

Prepared by: \_\_\_\_\_  
Susan Feldhauser, Personnel Analyst

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_  
Tina Lynch, Director of Nursing

Date: \_\_\_\_\_

Approved by: \_\_\_\_\_  
Bradford Slagle, Administrator

Date: \_\_\_\_\_





[Michigan.gov Home](#)

[ICHAT Home](#) | [MSP home](#) | [Sitemap](#) | [FAQs](#) | [Contact Us](#) | [Register](#) | [Login](#)

[Help](#)

[Background Search](#)

ICHAT - Home

[Search Results](#)

[View Fee Charges](#)

[My Account](#)

[Shopping Cart](#)

**How to Use  
ICHAT**  
click for tutorials

The Internet Criminal History Access Tool (ICHAT) allows the search of public records contained in the Michigan Criminal History Record maintained by the Michigan State Police, Criminal Justice Information Center. All felonies and serious misdemeanors that are punishable by over 93 days are required to be reported to the state repository by law enforcement agencies, prosecutors, and courts in all 83 Michigan counties.

Suppressed records and warrant information are not available through ICHAT. Also not included are federal records, tribal records, and criminal history from other states. A search for a record that may be in another state requires that you correspond with that state directly.

Anyone can perform a search through ICHAT. At a minimum, the full name of the person and his/her date of birth is required. A fee of \$10 is charged for each search.

If this is your first time using the Internet Criminal History Access Tool (ICHAT), please select "Register"; otherwise select "Login" to proceed with a record search.

ICHAT accepts MasterCard, Visa, and Discover cards:



To access the Michigan Public Sex Offender Registry, click the following link: <http://www.miosor.state.mi.us>

[Michigan.gov Home](#) | [Sitemap](#) | [ICHAT Home](#)  
[Accessibility Policy](#) | [Privacy Policy](#) | [Link Policy](#) | [Security Policy](#) | [Survey](#)

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Tracking  
Information  
SystemInternet  
Criminal  
History  
Access  
ToolFrequently  
Asked  
QuestionsDrugJodIn  
National Sex  
Offender  
WebsiteMichigan  
Sex  
Offenders  
Registration  
ActRelated  
Links

## Michigan Public Sex Offender Registry (PSOR)



Please enter your search criteria. You must search by Offender Information. You must enter at least one criteria.

## Offender Information

Last Name:

First Name:

Estimated Age: +/- 5 years

City:

Zip Code:

County:

None Selected

Search Type:

All Offenders Excluding Incarcer

Show Thumbnails:

Yes

Other Options

Search with 1 mile radius

Search

Clear

Search Tips

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[Privacy Policy](#) | [Link Policy](#) | [Accessibility Policy](#) | [Security Policy](#)

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You are visitor # 8989287

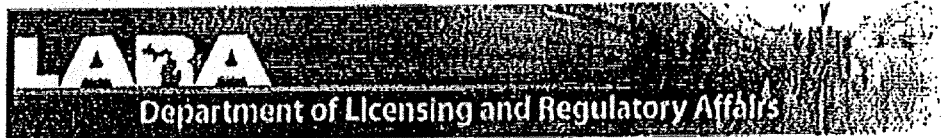
[Return to LEIE Home](#)

## List of Excluded Individuals/Entities Search

Search up to 5 names

Last Name	First Name	or Business Name
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Exclusion Type

**VERIFY A LICENSE/REGISTRATION**

<b>Person:</b> <input checked="" type="radio"/>	To search for a Person
<b>Business:</b> <input type="radio"/>	To search for a Business
Search by Last and First Name, D.B.A., License Type or License Number (ie. 1234567890)	
* can be used for partial names when searching (ie. Ma*).	
<b>Last Name:</b>	
<b>First Name:</b>	
<b>Profession:</b> - any -	
<b>License Type:</b> - any -	
<b>License Number:</b>	
<input type="button" value="Search"/>	<input type="button" value="Clear"/>

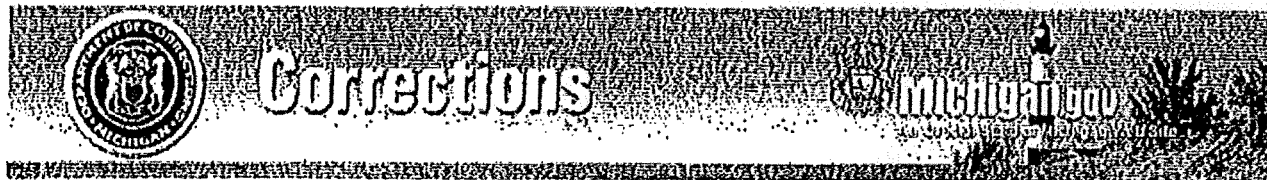
You have selected a profession/occupation regulated by Bureau of Health Professions which contains 23 regulated professions. Additional Information is available.

**DISCLAIMER**

Licensing and registration records are made available at this site by LARA to provide immediate access to information for the convenience of interested persons. This information is updated on a daily basis. It is the practice of LARA to obtain and verify information from the original source. LARA assumes no responsibility for any errors or omissions, or for the use of information obtained from this site. If there is a need for supporting documentation, information can be requested under the Freedom of Information Act (FOIA). For assistance in requesting information under the Freedom of Information Act.

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[Michigan.gov Home](#)[Contact MDOC](#) | [OTIS Help](#) | [MDOC's Most Wanted](#) | [Glossary](#) | [Disclaimer](#) | [MDOC Home](#)

Last Name:

First Name:

MDOC Number:

Sex: Either ☐Race: All ☐Age: ☐Offender Status: Active Offenders ☐Marks, Scars or Tattoos: ☐**OFFENDER TRACKING INFORMATION SYSTEM**  
MICHIGAN DEPARTMENT OF CORRECTIONS

In 2008, the Michigan Legislature permitted removal of offender's information from OTIS after three years had elapsed from the discharge date. If an offender resumes supervision with the MDOC, all public records will be available on the website until three years has again elapsed from the discharge date of the most recent MDOC jurisdiction or supervision term.

Related Sites: [Sex Offender Registry](#) | [MCL Online](#)

[Michigan.gov Home](#) | [MDOC Home](#) | [Site Map](#) | [Escapee/Absconder Tips](#) | [State Web Sites](#)  
[Accessibility Policy](#) | [Privacy Policy](#) | [Link Policy](#) | [Security Policy](#)  
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## D.J. Jacobetti Home for Veterans

### Employee Agreement to Disclose Arraignments and/or Convictions

#### 1. Statement Regarding Criminal History

I hereby state that I have not been convicted of any of the following:

- (a) A felony or an attempt or conspiracy to commit a felony within the past 15 years;
- (b) A misdemeanor involving abuse, neglect, assault, battery, or criminal sexual conduct, or involving fraud or theft against a vulnerable adult as that term is defined in Section 145m of the Michigan penal Code, 1931 PA 328, MCL 750.145m<sup>1</sup>, or a state or federal crime that is substantially similar to a misdemeanor described in this statement within the past 10 years<sup>2</sup>.

#### 2. Understandings and Agreements

I understand, as a condition of my continued employment, that I will report in writing to the facility immediately upon arraignment for or convicted of one or more of the criminal offenses described in paragraph 1(a) or 1(b).

In consideration of my employment or clinical privileges, I hereby understand and agree that, if the criminal history check conducted under Public Health Code Section 20173 does not confirm these statements, my employment or clinical privileges will be terminated by the facility as required by Section 20173(1) of that Code unless and until I can prove that the information is incorrect. The facility shall provide a copy of the results of the criminal history check conducted under Section 20173 to me upon written request.

I further understand and agree that failure to meet and conditions described in subparagraphs 1(a) and 1(b) of this statement may result in the termination of my employment or clinical privileges and that those conditions are good cause for termination.

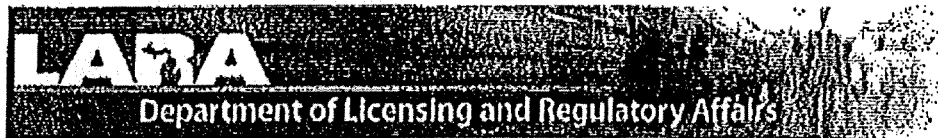
\_\_\_\_\_  
Name of Employee (Print or Type)

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Date

<sup>1</sup>MCL Section 750.146m defines "vulnerable adult" as 1 or more of the following: (I) An individual age 18 or over who, because of age, developmental disability, mental illness, or physical disability requires supervision or personal care or lacks the personal and social skills required to live independently; or (II) A person 18 years of age or older or a person who is placed in an adult foster care family home or an adult foster care small group home; or (III) A vulnerable person not less than 18 years of age who is suspected of being or believed to be abused, neglected, or exploited.

<sup>2</sup>A health facility or agency may not employ an individual found guilty of abusing, neglecting, or mistreating residents by a court of law or an individual that had a finding entered into the State nurse aide registry concerning abuse, neglect, mistreatment of residents, or misappropriation of resident property -- regardless of the date of conviction or entry of findings in the nurse aide registry.



## VERIFY A LICENSE/REGISTRATION

<b>Person:</b> <input checked="" type="radio"/>	To search for a Person
<b>Business:</b> <input type="radio"/>	To search for a Business
Search by Last and First Name, D.B.A., License Type or License Number (ie. 1234567890)	
* can be used for partial names when searching (ie. Ma*).	
<b>Last Name:</b>	
<b>First Name:</b>	
<b>Profession:</b> - any -	<input type="text"/>
<b>License Type:</b> - any -	<input type="text"/>
<b>License Number:</b>	
<input type="button" value="Search"/> <input type="button" value="Clear"/>	

You have selected a profession/occupation regulated by Bureau of Health Professions which contains 23 regulated professions. Additional Information is available.

### DISCLAIMER

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## Michigan Nurse Aide Registry Search

To protect the identity of our certification holders, Thomson Prometric has eliminated the search by social security number. Enter one or more of the following to locate certification information about a Nurse Aide.

Date Of Birth (mm/dd/yyyy):

Certificate Number:

First Name:

Last Name:

Starts With

Starts With

Registry Inquiry Reports are created in Adobe PDF format and requires Adobe Acrobat Reader software. It's simple to download the FREE software by following a few easy steps at [Get Adobe Reader](#).



D.J. Jacobetti Home for Veterans

Employee Agreement to Disclose Arraignments and/or Convictions

1. Statement Regarding Criminal History

I hereby state that I have not been convicted of any of the following:

- (a) A felony or an attempt or conspiracy to commit a felony within the past 15 years;
- (b) A misdemeanor involving abuse, neglect, assault, battery, or criminal sexual conduct, or involving fraud or theft against a vulnerable adult as that term is defined in Section 145m of the Michigan penal Code, 1931 PA 328, MCL 750.145m<sup>1</sup>, or a state or federal crime that is substantially similar to a misdemeanor described in this statement within the past 10 years<sup>2</sup>.

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I understand, as a condition of my continued employment, that I will report in writing to the facility immediately upon arraignment for or convicted of one or more of the criminal offenses described in paragraph 1(a) or 1(b).

In consideration of my employment or clinical privileges, I hereby understand and agree that, if the criminal history check conducted under Public Health Code Section 20173 does not confirm these statements, my employment or clinical privileges will be terminated by the facility as required by Section 20173(1) of that Code unless and until I can prove that the information is incorrect. The facility shall provide a copy of the results of the criminal history check conducted under Section 20173 to me upon written request.

I further understand and agree that failure to meet and conditions described in subparagraphs 1(a) and 1(b) of this statement may result in the termination of my employment or clinical privileges and that those conditions are good cause for termination.

\_\_\_\_\_  
Name of Employee (Print or Type)

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Date

<sup>1</sup>MCL Section 750.146m defines "vulnerable adult" as 1 or more of the following: (1) An individual age 18 or over who, because of age, developmental disability, mental illness, or physical disability requires supervision or personal care or lacks the personal and social skills required to live independently; or (ii) A person 18 years of age or older or a person who is placed in an adult foster care family home or an adult foster care small group home; or (iii) A vulnerable person not less than 18 years of age who is suspected of being or believed to be abused, neglected, or exploited.

<sup>2</sup>A health facility or agency may not employ an individual found guilty of abusing, neglecting, or mistreating residents by a court of law or an individual that had a finding entered into the State nurse aide registry concerning abuse, neglect, mistreatment of residents, or misappropriation of resident property – regardless of the date of conviction or entry of findings in the nurse aide registry.

## ATTACHMENT G

### D.J. JACOBETTI HOME FOR VETERANS

#### COMPUTER END USER AGREEMENT

DATE: 11/09/11

SEC POLICY PAGE

23 02 1

#### PURPOSE

The purpose of this policy is to inform employees of their rights and obligations concerning Information Systems (computers, LAN services).

#### POLICY

It is the policy of the D.J. Jacobetti Home for Veterans to ensure proper computer use each new employee that requires computer access or LAN access. New employees will be required to attend computer orientation training conducted by the In-Service Coordinator.

All computer users are required to have a signed EUC Agreement on file in the Personnel Office. Current users will attend annual computer training to refresh their agreement rights and obligations.

#### PROCEDURE

<u>WHO</u>	<u>DOES WHAT</u>
In-service Coordinator	1. Schedules all new employees for computer training during their orientation.
	2. Conducts computer orientation training on an as needed basis.
All Employees	3. Signs the EUC agreement (see attachment A).
In-Service Coordinator	4. Forwards EUC agreement to Personnel Assistant.
Personnel Assistant	5. Files EUC agreement in employee's personnel file.

#### ATTACHMENTS

- A. EUC Agreement
- B. DTMB Resources Acceptable Use Policy

Prepared by: \_\_\_\_\_  
Pete Feit, Network Administrator

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_  
Kristina Lynch, Director of Nursing

Date: \_\_\_\_\_

Approved by: \_\_\_\_\_  
Bradford Slagle, Administrator

Date: \_\_\_\_\_

## D.J. JACOBETTI HOME FOR VETERANS

### COMPUTER END USER AGREEMENT

DATE: 11/09/11

### EUC AGREEMENT

SEC POLICY PAGE

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ATTACHMENT A

### EUC Agreement

#### DJ Jacobetti Home for Veterans Security Agreement - Information Systems

\_\_\_\_\_  
Print name (Last, First, MI)

As an employee or user of D.J. Jacobetti Home for Veterans' computer systems or information systems, I accept and agree to the following:

1. To comply with State of Michigan Computer Crime Law (MCLA 752.791-752.797).
2. To use the D.J. Jacobetti Home for Veterans computer system (as defined in MCLA 752.791-752.797) to perform my job functions and to exclude all other uses.
3. To not copy or infringe upon the rights granted to the owner of a product with a Copyright or Patent.
4. To comply with Civil Service Regulation 1.05 (Patents, Inventions and Copyrights), for any property for which I participated in the development for D.J. Jacobetti Home for Veterans.
5. To keep confidential the computer system access codes and user code/password assigned to me.
6. To report to the EUC Security Officer any suspected or confirmed threat or violation of computer system security.
7. To comply with State of Michigan Policy 1460.00 (DTMB Resources Acceptable Use Policy).
8. To comply with HIPAA Security Awareness Training.

I have read the above security agreement, I understand it, and I agree to comply with its contents. Further, I understand that any violation of its contents may result in disciplinary action or referral for prosecution. I have read all the aforementioned documents and understand my obligation.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Date

**1460.00 Acceptable Use of State of Michigan Department of Technology, Management and Budget Resources**

Issue Date: December 22, 2003

**SUBJECT:** Acceptable Use of State of Michigan Department of Technology, Management and Budget Resources

**APPLICATION:** All executive branch agency computer end-users; including employees, interns, vendors, contractors, and volunteers. State hosted application specific end-user-agents at county and local units of government. System and network administrators. Lead-workers, supervisors, administrators, and managers at all levels. DTMB Office of Enterprise Security (OES). All computing equipment, devices, systems, servers, and data networks.

**PURPOSE:** To identify acceptable use of State of Michigan Information technology resources, to provide awareness of expected end-user behavior, and to safeguard IT data resources.

**CONTACT AGENCY:** Department of Technology, Management and Budget (DTMB)  
Office of Strategic Policy.

**TELEPHONE:** 517/373-7326

**FAX:** 517/335-2355

**SUMMARY:** This policy identifies acceptable use of State of Michigan Technology, Management and Budget Resources, provides awareness of expected end-user behavior, and is also intended to safeguard IT data resources. This policy requires that end-users maintain respect for the privacy of protected citizen and employee information at all times. A cooperative effort from every employee is necessary to prevent misuse, eliminate the risk of liability to the State, and promote the efficient utilization of IT resources and Information technology services.

**APPLICABLE FORMS:** None.

**POLICY:** A primary mission of the Department of Technology, Management and Budget (DTMB) is to provide and support end-user computing devices, systems, applications, and network communications resources. These resources are for the official use by executive branch employees to meet the daily operational and business requirements of departments, agencies, and the various boards and commissions of the State of Michigan. Information technology resources provided to employees are for the purpose of delivering public services to the State's diverse groups of customers in a more efficient manner. Employees should have no expectations of personal privacy protection when using State owned IT resources.

**PROCEDURES:**  
Acceptable uses of IT resources include:

- A. Uses authorized by agency business units, with the exception of items listed in this policy.
- B. Personal use by employees for interaction with human resource, time accounting, compensation, and employee benefits and health administration programs managed by or administered for the State of Michigan.

- C. Access to information and transactions made available on the e-Michigan portals.
- D. Use of applications or access to information provided for general audience use on enterprise or agency intranet hosts.
- E. Access to Internet hosted on-line reference and information sources such as phone directories, on line dictionaries, or mapping and weather services if such use adds value to the business unit, increases employee efficiency, or legally avoids costs that would otherwise be incurred by the State of Michigan for such referenced services.
- F. Statutory and regulatory activities.

Unacceptable uses of IT resources include (but are not limited to):

- A. Any use of computer equipment that violates State or U.S. law and regulations are clear violations of acceptable use. The deployment, delivery, and use of technology resources within State of Michigan executive branch agencies is governed by statute and published procedures such as those contained in the DTMB administrative guide or within specific department and work group policies. Computer end-users and their direct supervisors must be aware of and be accountable for the elements of these laws, regulations, policies, and procedures as they affect daily work and responsibilities related to the use of IT resources utilized within their line of business work group.
- B. Creating or forwarding of chain mail regardless of content, sources, or destinations. Posting agency information to external newsgroups, bulletin boards or other public forums without authority.
- C. Using equipment for personal profit, political fundraising, gambling activity, non-business related instant messaging or chat room discussions, and downloading display of offensive material.
- D. Any use that violates public safety or compromises the privacy of legally protected resident or citizen information.
- E. Hacking systems and databases or acting to disrupt systems or cause unnecessary network congestion or application delays.
- F. Use of any remote control software on any internal or external host personal computers or systems not specifically set up by DTMB staff using methods authorized by standard or policy.

All employees or computer end users shall be made aware of this policy and educated about its content and the impact of violations of acceptable use criteria.

- A. Awareness and education:
  - (1) Each executive branch end user is required to acknowledge this policy.
  - (2) Log in screen reminders (appendix 1) are required for periodically reminding employees of this and similar policies directly affecting end-users. These reminders will be presented on screen prior to or during the logging in routine.
  - (3) IT training sponsored by the State of Michigan may include a segment on this policy and good cyber-citizenship.
  - (4) Application specific security rules and procedures mandated by State of Michigan and federal regulations must also be rigorously adhered to in order to safeguard legally protected data resources from compromise and should be a part of agency sponsored privacy and security awareness efforts.
  - (5) Every user should perform due-diligence measures to contribute to a professional, safe, pleasant, and non-offensive IT user environment. Remember: e-mail is subject to the Freedom of Information Act (FOIA). E-mail and other information may still remain on your PC after deletion.
  - (6) Violation of this policy may result in agency-administered discipline up to and including discharge. Criminal or civil action may be initiated in appropriate instances.

- B. Inadvertent and Erroneous use – End-users inadvertently directed to a web site that violates laws, regulations, or policies may claim erroneous use. Mistakes occur when using IT resources without any employee intent to violate policy. A claim of this type is only substantiated by connection times measured in seconds, rather than minutes when found in network, system, or application log audits done to verify or detect abuse. Report to supervisors or managers when un-intentional misuse occurs. Self-reporting is encouraged and may be done without consequence.

#### DEFINITIONS:

Agency - means executive branch entities including agency, department, board, or commission.

AIO - Agency Information Officer

Business Units - Supervised areas of related work responsibility as explicitly defined and delegated to them by executive branch agency directors, boards, or commissions of the State of Michigan.

Chain Mail - unauthorized non-government or NON-business related e-mail to large groups, the SOM address book, or to unspecific destination addresses that suggest that the receiver should further disseminate the message.

DTMB - Department of Technology, Management & Budget

Due Diligence - activities that ensure the protection mechanisms are continually maintained, operational and applicable to state and federal laws.

Employees or computer end-users - Includes the broad range of persons who are supplied with any IT resources or application access by DTMB to accomplish State work and include all executive branch agency employees; including interns, vendors, contractors, volunteers, and agents at county and local units of government who are given password access to specific State of Michigan hosted applications.

Hacking - Gaining or trying to gain unauthorized access to systems and databases either internal or external to the State of Michigan computer systems or networks for the purpose of viewing, stealing, or corrupting data.

IT systems or resources - Data networks (over any media type); computer devices including: servers, hosts, laptops, desktops, handheld, or tablet pc; communication devices: phone, web phones, or pagers; and software applications accessed with any interface device.

Mass Mail - authorized State of Michigan business related e-mail to large groups or the whole SOM address book sponsored or originated within an agency business unit.

OHR - Agency Office of Human Resources

OES - DTMB Office of Enterprise Security

OUs (operations units) - describe any employee groups of DTMB functions supporting specific agencies and/or applications.

SOM - State of Michigan

## RESPONSIBILITIES:

- A. Employee end-users -- must read this document, understand the expectations and take personal responsibility for adhering to the provisions of this policy. Each end-user will be required to acknowledge receipt of this policy and any agency specific addendums. All categories of employees must realize that misuse or abuse of IT resources may lead to department or agency investigation and initiation of legal or disciplinary actions. Be aware that computers assigned to you may also be removed from your office area for analysis.
- B. Agents, contract staff, vendors, and volunteers -- are required to adhere to this policy, acknowledge an awareness of this policy, however realizing the consequences of willful violation will be appropriate to their status.
- C. Supervisors, managers, or directors - make up the first line of accountability for staff compliance with this policy and shall require that all staff under their management read, and acknowledge the acceptable use agreement, and abide by the provisions of this policy.
- D. Agency OHR -- shall support supervisors and managers as needed in the awareness and disciplinary enforcement of this policy.
- E. DTMB staff and OUs-- shall report suspected violations to OES when found in the normal course of system support activity and assist OES with audits and enforcement actions when requested to do so.
- F. Office of Enterprise Security (OES) -- shall receive and document reports of suspected abuse from any source and act as necessary on each report.
- G. OES shall plan and supervise periodic system and network audits to detect potential abuse and shall use these audits to identify and investigate non-compliance with the provisions of this policy. Report incidents of abuse to agency DTMB AIO, agency OHR liaison, and agency internal auditor, and where abuse may involve criminal activity to appropriate State of Michigan or other law enforcement officials. Assist in the collection and preservation of digital forensic evidence when requested by law enforcement officials.
- H. Agency Business Units - shall ensure that all aspects of the IT Acceptable Use policy and standards are communicated to staff within their divisions and work groups.
- I. Contracts Management and Purchasing Division -- Holds the responsibility to communicate acceptable use policy to vendors and contract staff that will be using IT resources, emphasizing the need for ensuring compliance with this policy. Purchasing process shall include contract language requiring vendors' staff to follow acceptable use policies, and require that all vendor staff acknowledge the acceptable use agreement.

## EFFECT:

The policy described in this section sets a minimum level of conformance that will be implemented across the State of Michigan enterprise. Agency work rules should support this policy direction and provide departmental guidance on how violations will be handled. Work rules or policies that are consistent need not be reissued. State Departments desiring to implement more restrictive policies regarding information technology resources may do so by coordinating with OES prior to implementation.

## Appendix 1

Sample Screen Acceptable Use Agreement login acknowledgement in Window or Banner:

<p><b>I have read and am fully aware of the STATE OF MICHIGAN</b></p> <p><b>Department of Technology, Management and Budget Resources Acceptable Use Policy # 1460.00</b></p> <p><b>I understand that I am expected to <u>act in accordance with this policy</u> when using State of Michigan computing equipment and applications at all times.</b></p>
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**DMVA – DJJHV**

**Contract #511B3200025**



**ATTACHMENT H – Contractors Proposal Response to RFP – Follows this page**

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