

STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT AND BUDGET  
PURCHASING OPERATIONS  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

April 14, 2010

CHANGE NOTICE NO. 4  
TO  
CONTRACT NO. 071B6200148  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF VENDOR <b>Northpointe Institute for Public Management, Inc</b> <b>5148 US 31 N.</b> <b>Williamsburg, MI 49690</b>		TELEPHONE Dave Wells <b>231-938-5959</b>
<a href="mailto:cnewman@npipm.com">Email: cnewman@npipm.com</a>		BUYER/CA (517) 373-3993 <b>Dale N. Reif</b>
Contract Compliance Inspector: Barb Suska		
<b>COMPAS RISK NEEDS ASSESSMENT</b>		
CONTRACT PERIOD: From: <b>February 7 2006</b> To: <b>February 6, 2011</b>		
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>	
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>	
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>		
MISCELLANEOUS INFORMATION:		

**NATURE OF CHANGE(S)**

Effective immediately, the 3/30/2010 deliverable date in Deliverables/Activities document attached to this contract is extended to 5/7/2010. All other terms and conditions remain the same.

**AUTHORITY/REASON:**

Per vendor request, agency agreement and DTMB approval.

**TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$1,582,965.00**

STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT AND BUDGET  
PURCHASING OPERATIONS  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

December 23, 2009

CHANGE NOTICE NO. 3 (REVISED)  
TO  
CONTRACT NO. 071B6200148  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF VENDOR <b>Northpointe Institute for Public Management, Inc</b> <b>5148 US 31 N.</b> <b>Williamsburg, MI 49690</b>		TELEPHONE Dave Wells <b>231-938-5959</b>
<a href="mailto:cnewman@npipm.com">Email: cnewman@npipm.com</a>		BUYER/CA (517) 373-3993 <b>Dale N. Reif</b>
Contract Compliance Inspector: Barb Suska		
<b>COMPAS RISK NEEDS ASSESSMENT</b>		
CONTRACT PERIOD: From: <b>February 7 2006</b> To: <b>February 6, 2011</b>		
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>	
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>	
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>		
MISCELLANEOUS INFORMATION:		

**NATURE OF CHANGE(S)**

Effective immediately, this contract is hereby **EXTENDED** to February 6, 2011 and **INCREASED** by \$545,915.00. Please note that the buyer has been changed to Dale Reif. This contract change also includes the attached FY10 invoice schedule as mutually agreed to by the vendor and state agency. All other terms and conditions remain the same.

**AUTHORITY/REASON:**

Per agency and DMB agreement and the approval of State Adboard on 12/15/09.

**INCREASE: \$545,915.00**

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$1,582,965.00**

Deliverables/Activities	Budget Amount
<p><b>Deliverable A – Annual COMPAS Unlimited User Fee</b></p> <p><u>Work Product(s)/Activity(ies)</u></p> <p>Users with enabling full software module access to the following:</p> <ul style="list-style-type: none"> <li>• ADULT, Reentry and Youth COMPAS</li> <li>• Integrated case planning module</li> <li>• Static 99 sex offender assessment</li> <li>• VASOR</li> <li>• TCU drug screener</li> <li>• Mental Health pre-screener</li> <li>• Michigan PSI module (when available)</li> <li>• Case supervision review instrument</li> <li>• Women’s COMPAS</li> <li>• Workload Driver (when available)</li> <li>• Reservation System (when available)</li> <li>• Licenses are concurrent</li> <li>• CCAMIS</li> <li>• Other as approved by the State</li> </ul> <p>Invoiced quarterly @ ¼ of \$259,500 Quarterly = \$64,875.00</p> <p>(All CCAB’s using the COMPAS Suite will have full access to COMPAS Case Manager other than the interfacing CCAB’s. The COMPAS Core assessment module will also be turned on and accessible by the CCAB’s.)</p> <p><b>Ad Hoc Report Generator. Maximum 100 @ \$20.00 each</b> One Time Charge</p>	<p><b>\$259,500</b></p>
<p><b>Deliverable B – Annual Maintenance and Support Fee</b></p> <p><u>Work Product(s)/Activity(ies):</u></p> <ul style="list-style-type: none"> <li>• Provide on-going technical support of the COMPAS software via internet, phone, e-mail and on-site visits as necessary to include addressing any software bugs, fixes and support of new software enhancements and updates as approved by the contract manager. (Any Department requested software modification must be approved by the Contract Manager as submitted through ADSS)</li> <li>• Contractor to provide a Maintenance and Support Plan to the State for Approval</li> <li>• Participate in User’s Summits as requested by the Contract Manager to communicate and share information.</li> </ul> <p><i>Invoiced quarterly @ 14.74% of User Fee Value, (Value is \$259,500)</i> <i>Quarterly = \$9,562.50</i></p> <p>Deliverable dates: 10/1/09 to 9/30/10</p>	<p><b>\$2,000</b></p> <p><b>\$38,250</b></p>
<p><b>Deliverable C – COMPAS Training</b></p> <p><i>Includes all costs, staffing time, travel, meals, lodging, preparation and materials</i></p> <p><u>Work Product(s)/Activity(ies)</u></p> <ul style="list-style-type: none"> <li>• Provide COMPAS training sessions to support Michigan DOC as they continue to roll out all modules focused on Adult, Reentry and Youth COMPAS. Training components will include; introductory, advanced, and train-the-trainer sessions to accommodate Michigan at every stage of your roll out.</li> </ul> <p>This includes</p> <ul style="list-style-type: none"> <li>• Youth Training</li> <li>• Reentry Training</li> <li>• Women’s Training</li> <li>• T4T Training of Youth and Reentry Trainers</li> </ul> <p>Training sessions are billed at \$1,200/day or \$600.00 per half day (4 hours or less).</p> <ul style="list-style-type: none"> <li>• Provide Women’s COMPAS Training sessions for female-responsive approaches and treatment. NorthPointe will provide (one) two day train-the-trainer sessions to introduce this most recent knowledge to MDOC training staff. Included in this training is: <ul style="list-style-type: none"> <li>○ Gender responsive programming and principles</li> </ul> </li> </ul>	<p><b>\$67,000</b></p> <p><b>\$32,000</b></p>

<ul style="list-style-type: none"> <li>o What are the new risk factors for women and scale meanings</li> <li>o How does consideration for gender responsive risk factors improve classification systems for women offenders?</li> </ul> <p><i>Woman's COMPAS Training @ \$3,000 per day</i></p> <p>Deliverable dates: 10/1/09-9/30/10</p> <p><b>OCC Initial COMPAS and COMPAS Case Manager Roll-out Training:</b> Northpointe will provide (ten) 2 day training sessions on the navigation and use of the COMPAS Suite with primary emphasis on COMPAS Case Manager. These trainings will be conducted in groups and timed to coincide with CCAMIS to COMPAS Case Manager data conversions. Northpointe will rely on OCC to assist in scheduling and assuring attendance by CCAB's at these trainings. OCC staff may attend any of the trainings for their own navigation training purposes and assist with any OCC policy/procedure discussions.</p> <p><i>Invoiced @ \$2,500 per 2 day training session x 10 regional training sessions. (Computer labs provided by host CCAB or OCC with user groups, minimum of 12 participants maximum of 20 per each group.)</i></p> <p>Deliverable dates: 1/2010 - 7/2010</p> <p><b>OCC User Group Training:</b> Northpointe will facilitate (2) one day user conference sessions in the last quarter of FY 2010 to provide advanced training on the COMPAS Suite. MDOC responsible for training site location.</p> <p><i>Invoiced at start of 4<sup>th</sup> quarter FY 2010. Training will occur in August/September 2010</i></p> <p><b>OCC Software training:</b> Northpointe will provide one day of training on the navigation, use and new features of the COMPAS Suite. (Oakland and St. Clair : Phase I) (2) One day training sessions. Deliverable dates: 10/1/09-12/20/09</p> <p>Northpointe will provide two days of training on the navigation, use and new features of COMPAS and COMPAS Case Manager. Two separate training sessions will occur, one for St. Clair and one for Western U.P. (Phase II) <i>2 sessions @ \$2,500 each</i> Deliverable dates: 10/1/09-12/20/09</p> <p><i>Michigan Department of Corrections reserves the right to approve content of training.</i></p>	<p>\$25,000</p> <p>\$3,000</p> <p>\$2,000</p> <p>\$5,000</p>
--	--

<p><b>Deliverable D – Project Management and Support</b>  <b>Requires Contract Project Manager Prior Approval</b></p> <ul style="list-style-type: none"> <li>Provide implementation support, strategic planning, policy and procedure review, organizational decision making support, resource management, key stakeholder consideration, outcomes monitoring support, etc.-all is support of implementing evidence-based service model system wide.</li> </ul> <p><i>Invoiced @ \$140.00 per hour</i>  Deliverable dates: 10/1/09-9/30/10</p> <ul style="list-style-type: none"> <li>Provide project management and support to OCC for Phases I and II to include attending design meetings, administrative meetings, project scheduling, project coordination, as needed to assure successful implementation and roll-out of the COMPAS Suite.</li> </ul> <p><i>Invoiced @ \$140.00 per hour</i>  Deliverable dates:10/1/09-9/30/10</p>	<p><b>\$33,800</b></p> <p>\$20,000</p> <p>\$10,000 Phase I + \$3,800 Phase II</p>
<p><b>Deliverable E - COMPAS Software Customization</b>  <b>Requires Contract Project Manager Prior Approval</b></p> <p><i>Invoiced @ \$140.00 per hour</i></p> <p><u>Work Product(s)/Activity(ies)</u></p> <ul style="list-style-type: none"> <li>Provide COMPAS software customization (I.E., automate PSI, develop COMPAS parole information packet, etc) at the request of the Department <ul style="list-style-type: none"> <li>Program Reservation system</li> <li>Workload driver</li> <li>Omni Interface</li> </ul> </li> </ul> <p>Deliverable dates: Program Reservation System – 1/1/10</p> <p>Workload Driver 1/30/10</p> <p>Data Conversion Phase I:</p> <ul style="list-style-type: none"> <li>Northpointe will convert all current CCAMIS users to COMPAS Case Manager. (Half day for each conversion 41 separate CCAB)</li> <li>Northpointe will convert any COMPAS desktop users to the COMPAS Suite as determined appropriate by OCC. Data conversion will generate a list of any open duplicate cases that will require clean-up e.g. case termination dates to be added by the CCAB. It will be MDOC is responsible to monitor this data clean-up. (CCAMIS databases (excludes St. Clair and Western UP) 8 COMPAS data conversions)</li> </ul> <p>OCC Phase I Data Conversion Deliverable dates:  January 2010 thru June 2010</p> <p>Data Conversion Phase II:</p> <ul style="list-style-type: none"> <li>Complete Modifications between the current Oakland County MIS and interface with the new COMPAS Suite.</li> <li>Northpointe will convert St. Claire County and Western Upper Peninsula's CCAMIS data to COMPAS Case Manager. Western U.P. has three different databases that will require conversion; St. Clair has one database for conversion.</li> </ul> <p>OCC Phase II Deliverable Dates: 10/1/09-12/20/09</p> <p>OCC Customization: Phase I and II  Northpointe will design and develop any COMPAS Case Manager and Reporting customization to the software as determined appropriate by MDOC Contract Manager and Northpointe.</p> <ul style="list-style-type: none"> <li>CCIS minimum case data entry wizard</li> <li>BIR's</li> <li>JPIS</li> <li>Importing and error report</li> <li>creating cases from BIR/JPIS data</li> <li>canned OCC Reports</li> <li>other reports as necessary</li> </ul> <p>Deliverable date to be determined jointly by MDOC and Northpointe</p>	<p><b>\$108,500</b></p> <p>\$49,000</p> <p>\$24,600</p> <p>\$4,800</p> <p>\$1,000</p> <p>\$2,400</p> <p>\$18,000</p>



<b>Deliverable H –</b> <b>Internal/External Classification</b> <i>Invoiced @ \$140.00 per hour</i>  <u>Work Product(s)/Activity(ies)</u> NorthPointe will work with MDOC to assist in the development and implementation of a new generation External/Internal Inmate Classification System. This system will incorporate the science developed for COMPAS using “Offender prototypes”. The instruments will be used to guide differential assignments to both housing and treatment services. Includes: <ul style="list-style-type: none"> <li>• Building Classification into Software – Along with necessary interfaces to Omni</li> <li>• Ongoing classification research</li> </ul>	<b>\$43,000</b>
<b>Deliverable I –</b> <b>Consultation</b> <i>Requires Contract Project Manager Prior Approval</i> <i>Invoiced @ \$140.00 per hour</i>  <u>Work Product(s)/Activity(ies):</u> Respond to requests for information, presentations to state and local government and the State legislature. Northpointe will be reimbursed airfare and gas mileage and shall be invoiced at State Standardized Rates.	<b>\$13,000</b>
<b>TOTAL</b>	<b>\$622,050</b>

10/1/10 to 2/6/11 – Budget

To be developed by July, 2010.

STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT AND BUDGET  
PURCHASING OPERATIONS  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

December 17, 2009

CHANGE NOTICE NO. 3  
TO  
CONTRACT NO. 071B6200148  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF VENDOR <b>Northpointe Institute for Public Management, Inc</b> <b>5148 US 31 N.</b> <b>Williamsburg, MI 49690</b>		TELEPHONE Dave Wells <b>231-938-5959</b>
<a href="mailto:cnewman@npipm.com">Email: cnewman@npipm.com</a>		BUYER/CA (517) 373-3993 <b>Dale N. Reif</b>
Contract Compliance Inspector: Barb Suska		
<b>COMPAS RISK NEEDS ASSESSMENT</b>		
CONTRACT PERIOD: From: <b>February 7 2006</b> To: <b>February 6, 2011</b>		
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>	
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>	
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>		
MISCELLANEOUS INFORMATION:		

**NATURE OF CHANGE(S)**

Effective immediately, this contract is hereby **EXTENDED** February 6, 2011 and **INCREASED** by \$545,915.00. Please note that the buyer has been changed to Dale Reif. All other terms and conditions remain the same.

**AUTHORITY/REASON:**

Per agency and DMB agreement and the approval of State Adboard on 12/15/09.

**INCREASE: \$545,915.00**

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$1,582,965.00**



STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT AND BUDGET  
PURCHASING OPERATIONS  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

December 10, 2008

CHANGE NOTICE NO. 2 (REVISED)  
TO  
CONTRACT NO. 071B6200148  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF VENDOR <b>Northpointe Institute for Public Management, Inc</b> <b>5148 US 31 N.</b> <b>Williamsburg, MI 49690</b>		TELEPHONE Dave Wells <b>231-938-5959</b>
<a href="mailto:cnewman@npipm.com">cnewman@npipm.com</a>		BUYER/CA (517) 335-4804 <b>Doug Collier</b>
Contract Compliance Inspector: Barb Suska <b>COMPAS RISK NEEDS ASSESSMENT</b>		
CONTRACT PERIOD: From: <b>February 7 2006</b> To: <b>February 6, 2010</b>		
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>	
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>	
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>		
MISCELLANEOUS INFORMATION:		

NATURE OF CHANGE(S)

Effective immediately, this contract is hereby **INCREASED** by \$342,050.00 to support an additional year of work. See attached Revised Invoicing Schedule.  
Additionally, Kimberly Koppsch-Woods will be the new project manager for MDOC.

Kimberly Koppsch-Woods  
Ph#: 517-241-7698  
Email: [koppschka@michigan.gov](mailto:koppschka@michigan.gov)

In addition, a contract option year is exercised. The new contract end date is February 6, 2010.

AUTHORITY/REASON:

Per agency and DMB agreement and the approval of State Adboard on 12/2/08.

INCREASE: \$342,050.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$1,037,050.00

STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT AND BUDGET  
PURCHASING OPERATIONS  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

December 5, 2008

CHANGE NOTICE NO. 2  
TO  
CONTRACT NO. 071B6200148  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF VENDOR <b>Northpointe Institute for Public Management, Inc</b> <b>5148 US 31 N.</b> <b>Williamsburg, MI 49690</b>		TELEPHONE Dave Wells <b>231-938-5959</b>
Email: wells@northpointe.intranets.com		BUYER/CA (517) 335-4804 <b>Doug Collier</b>
Contract Compliance Inspector: Barb Suska <b>COMPAS RISK NEEDS ASSESSMENT</b>		
CONTRACT PERIOD: From: <b>February 7 2006</b> To: <b>February 6, 2009</b>		
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>	
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>	
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>		
MISCELLANEOUS INFORMATION:		

NATURE OF CHANGE(S)

Effective immediately, this contract is hereby INCREASED by \$342,050.00 to support an additional year of work. See attached Revised Invoicing Schedule.  
Additionally, Kimberly Koppsch-Woods will be the new project manager for MDOC.

Kimberly Koppsch-Woods  
Ph#: 517-241-7698  
Email: koppschka@michigan.gov

AUTHORITY/REASON:

Per agency and DMB agreement and the approval of State Adboard on 12/2/08.

INCREASE: \$342,050.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$1,037,050.00

## AORAS INVOICING SCHEDULE

- All dates are estimates
- Invoices must be detailed as to deliverables or time and materials

**Project start date 2/15**

### **YEAR ONE**

#### **Phase 1**

2/15/06        \$30,000 (Software License 12 Months)

Work Product(s)/Activity(ies)

- o Install and test, the COMPAS software on the system server(s) for access by the users in a test, training and production environment

**DELIVERABLE/PAYMENT – Receipt and signoff of Software Certificate/State Acceptance of Software**

4/15/06        \$20,000 (Project Management)

Work Product(s)/Activity(ies)

- o Mobilize project support
- o Formation of Action Team
- o Build an optimal design
- o Begin development of performance specifications

**DELIVERABLE/PAYMENT – Receipt and signoff of Draft Optimal Design (Report)**

5/15/06        \$5,000 (Training)

Work Product(s)/Activity(ies)

- o Develop Training plan and materials coordinated with DOC MPRI staff and modified as determined appropriate to assure they meet the needs of staff at each phase of the project
- o Quarterly Status Report (2/1-4/30)

**DELIVERABLE/PAYMENT – Receipt and signoff of Training Plan**

6/15/06        \$14,000 (Training)

Work Product(s)/Activity(ies)

- o Conduct Pilot Sites Training

**DELIVERABLE/PAYMENT – Completion and signoff of all Pilot Sites Training**

7/15/06        \$15,000 (Project Management)

Work Product(s)/Activity(ies)

- o Finalize Performance Specifications (REPORT)
- o Develop Sampling Procedures
- o Initiate Quality Control procedures
- o Begin Pilot data collection
- o Quarterly Status Report (5/1-7/31)

**DELIVERABLE/PAYMENT – Receipt and signoff of Performance Specifications (Report)**

10/31/06        \$30,000 (Research, Data Analysis) prep, coding, analysis completed)

Work Product(s)/Activity(ies)

- o Finish data collection
- o Finalize data analysis plan
- o Prep and code data
- o Begin data analysis for validation study
- o Conduct initial process evaluation (REPORT)

**DELIVERABLE/PAYMENT – Receipt and signoff of Initial Process Evaluation (Report)**

11/15/06        \$15,000 (Project Management)

Work Product(s)/Activity(ies)

- Phase Two preparation
- Attend regular meetings
- Quarterly Status Report (8/1-10/31)

**DELIVERABLE/PAYMENT – Receipt and signoff of Quarterly Status Report**

11/30/06 \$5,000 (Research Data Analysis) report presentation)

Work Product(s)/Activity(ies)

- Finalize and submit validation study (REPORT)

DELIVERABLE/PAYMENT – Receipt and signoff of Validation Study (Report)

1/31/07 \$6,000 (Training)

Work Product(s)/Activity(ies)

- Develop Train the Trainers Manual

**DELIVERABLE/PAYMENT – Receipt and signoff of Final Manual**

2/15/07 \$8,000 (Training)

Work Product(s)/Activity(ies)

- Conduct Initial train the trainer workshops

DELIVERABLE/PAYMENT – Completion and signoff of all Initial Train the Trainer Workshops

2/15/07 \$10,000 (Project Management)

Work Product(s)/Activity(ies)

- Review cutting points for risk levels
- Begin expanding use of COMPAS to additional Phase II sites
- Quarterly Status Report (11/1-1/31)

**DELIVERABLE/PAYMENT – Receipt and signoff of Quarterly Status Report**

Time to be Determined: Software Customization (\$25,000)

DELIVERABLE/PAYMENT – Receipt and signoff of Progress Reports – Not to exceed \$25,000 (invoiced on a Time & Material basis)

Time to be Determined: OMNI Interface (\$15,000)

DELIVERABLE/PAYMENT – Receipt and signoff of Progress Reports – Not to exceed \$15,000 (invoiced on a Time & Material basis)

Throughout Year One: Media (\$3,000)

- Billed/added to other invoices as costs are incurred.

**DELIVERABLE/PAYMENT – Signed proof of Receipt**

YEAR ONE TOTAL: \$201,000

**YEAR TWO**

**Phase Two**

2/15/07 \$35,000 (Software License 12 Months)

**DELIVERABLE/PAYMENT – Receipt and signoff of Software Certificate**

2/15/07 \$10,000 (Software Maintenance/User Support)

DELIVERABLE/PAYMENT – Receipt and signoff of Maintenance/Support Agreement

4/15/07 \$7,000 (Training) phase II site trainings

- Conduct Phase II site training

**DELIVERABLE/PAYMENT – Completion and signoff of all Phase II Site Training**

5/15/07 \$15,000 (Project Management)

Work Product(s)/Activity(ies)

- Conduct 2<sup>nd</sup> process evaluation study (REPORT)
- Attend regular project meetings
- Quarterly status report (2/1-4/30)

**DELIVERABLE/PAYMENT – Receipt and signoff of 2<sup>nd</sup> Process Evaluation Study (Report)**

8/15/07          \$15,000 (Project Management)  
Work Product(s)/Activity(ies)

- Attend regular project meetings
- Quarterly status report (5/1-7/31)

**DELIVERABLE/PAYMENT – Receipt and signoff of Quarterly Status Report**

11/15/07          \$15,000 (Project Management)  
Work Product(s)/Activity(ies)

- Attend regular project meetings
- Quarterly status report (8/1-10/31)

**DELIVERABLE/PAYMENT – Receipt and signoff of Quarterly Status Report**

11/15/07          \$10,000 (Research/Data Analysis) prep, coding, analysis begun)  
Work Product(s)/Activity(ies)

- Finalize outcomes data collection
- Data prep and coding
- Begin outcome study analysis

**DELIVERABLE/PAYMENT – Receipt and signoff of Draft Outcomes Data Collection (Report)**

1/15/08          \$25,000 (Research/Data Analysis) analysis completed  
Work Product(s)/Activity(ies)

- Complete outcomes analysis
- Begin report writing

**DELIVERABLE/PAYMENT – Receipt and signoff of Final Outcomes Analysis (Report)**

2/15/08          \$15,000 (Project Management)  
Work Product(s)/Activity(ies)

- Attend regular project meetings
- Quarterly status report (11/1-1/31)
- Modify COMPAS scales as necessary
- Explore matching profiles to program recommendations

**DELIVERABLE/PAYMENT – Receipt and signoff of Quarterly Status Report**

2/15/08          \$5,000 (Research/Data Analysis) report presentation  
Work Product(s)/Activity(ies)

- Finalize and submit first outcomes study (REPORT)

**DELIVERABLE/PAYMENT – Receipt and signoff of First Outcomes Study (Report)**

Time to be Determined \$25,000 Software Customization

**DELIVERABLE/PAYMENT - Receipt and signoff of Progress Reports – Not to exceed \$25,000**  
(Invoiced on a Time & Material basis)

Throughout Year Two: \$1,000 (Media)

- Billed/added to other invoices as costs are incurred.

**DELIVERABLE/PAYMENT – Signed proof of Receipt**

YEAR TWO TOTAL: \$178,000

### **YEAR THREE**

2/15/08 \$35,000 (Software License 12 Months)

**DELIVERABLE/PAYMENT – Receipt and signoff of Software Certificate**

2/15/08 \$12,000 (Software Maintenance/User Support)

**DELIVERABLE/PAYMENT – Receipt and signoff of Maintenance/Support Agreement**

5/15/08 \$10,000 (Project Management)

Work Product(s)/Activity(ies)

- Attend regular project meetings
- Quarterly status report (2/1-4/30)

**DELIVERABLE/PAYMENT - Receipt and signoff of Quarterly Status Report**

8/15/08 \$9,000 (Project Management)

Work Product(s)/Activity(ies)

- Attend regular project meetings
- Quarterly status report (5/1-7/31)

**DELIVERABLE/PAYMENT - Receipt and signoff of Quarterly Status Report**

**YEAR THREE TOTAL: \$66,000.00**

### **YEAR FOUR (Fiscal Year) 10/1/08 to 9/30/09**

#### **I. Schedule of Deliverables and Pricing**

Consistent with contract provision 1.6 Compensation and Payment, the Year Four portion of this Invoicing Schedule constitutes the agreed upon deliverable price. All invoices must reflect work done towards deliverable completion and invoiced monthly at rates identified in the Year Four Monthly Invoicing Template.

#### **Year Four Schedule of Deliverables**

<b>Deliverables/Activities</b>	<b>Deliverable Price</b>
<b>Deliverable A – Annual COMPAS Unlimited User Fee</b> <u>Work Product(s)/Activity(ies)</u> Users with enabling full software module access to the following: <ul style="list-style-type: none"><li>• ADULT, Reentry and Youth COMPAS</li><li>• Integrated case planning module</li><li>• Static 99 sex offender assessment</li><li>• VASOR</li><li>• TCU drug screener</li><li>• Mental Health pre-screener</li><li>• Michigan PSI module (when available)</li><li>• Case supervision review instrument</li><li>• Women's COMPAS</li><li>• Workload Driver (when available)</li><li>• Reservation System (when available)</li><li>• Licenses are concurrent</li><li>• Other as approved by the State</li><li>• Ad Hoc Report Generator100 @ \$20.00 each one time user fee (when available)</li></ul>	<b>\$225,000</b>
<b>Deliverable B – Annual Maintenance and Support Fee</b> <i>Based on 17% of user fee value</i> <u>Work Product(s)/Activity(ies):</u> <ul style="list-style-type: none"><li>• Provide on-going technical support of the COMPAS software via internet, phone, e-mail and on-site visits as necessary to include addressing any software bugs, fixes and support of new software enhancements and updates.</li></ul>	<b>\$2,000</b>
	<b>\$38,250</b>

<ul style="list-style-type: none"> <li>10/1/08 to 9/30/09</li> <li>Contractor to provide a Maintenance and Support Plan to the State for Approval</li> </ul>	
<p><b>Deliverable C – COMPAS Training</b>  <i>Includes all costs, staffing time, travel, meals, lodging, preparation</i>  <u>Work Product(s)/Activity(ies)</u></p> <ul style="list-style-type: none"> <li>Provide COMPAS training sessions to support Michigan DOC as they continue to roll out all modules focused on Adult, Reentry and Youth COMPAS. Training components will include; introductory, advanced, and train-the-trainer sessions to accommodate Michigan at every stage of your roll out. Training sessions are billed at \$1,200/day or \$600.00 per half day (4 hours or less).</li> <li>Provide Women’s COMPAS Training sessions for female-responsive approaches and treatment. NorthPointe will provide (one) two day train-the-trainer sessions to introduce this most recent knowledge to MDOC training staff. Included in this training is: <ul style="list-style-type: none"> <li>Gender responsive programming and principles</li> <li>What are the new risk factors for women and scale meanings</li> <li>How does consideration for gender responsive risk factors improve classification systems for women offenders?</li> <li>Training sessions will be billed at \$3,000/day.</li> </ul> </li> </ul>	<b>\$34,800</b>
<p><b>Deliverable D – Project Management and Support</b>  <i>Includes all costs, staffing time, travel, meals, lodging, preparation</i>  <u>Work Product(s)/Activity(ies)</u></p> <ul style="list-style-type: none"> <li>Provide implementation support including strategic planning, policy and procedure review, organizational decision making support, resource management, key stakeholder consideration, outcomes monitoring support, etc – all in support of implementing evidence based service model system wide. Invoiced @ \$140.00 per hour.</li> <li>Requires Contract Project Manager Approval</li> </ul>	<b>\$60,000</b>
<p><b>Deliverable E - COMPAS Software Customization</b>  <u>Work Product(s)/Activity(ies)</u>  Provide COMPAS software customization (I.E., automate PSI, add VASOR instrument, develop COMPAS parole information packet, etc) at the request of the Department @ \$140.hr.</p> <ul style="list-style-type: none"> <li>Requires Contract Project Manager Prior Approval</li> </ul>	<b>\$35,000</b>
<p><b>Deliverable F – 24 Month Outcomes Validation Study</b>  <u>Work Product(s)/Activity(ies)</u></p> <ul style="list-style-type: none"> <li>In coordination with MDOC, NorthPointe will collect COMPAS assessment data in conjunction with 24 month new arrest, technical violation, revocations, and return to prison data to conduct an outcomes study to look at the predictive accuracy of the COMPAS risk scales. NorthPointe will perform statistical analysis on these outcomes data (i.e., technical violations, absconsions, revocations, and new arrests); review cutting point rules/ guidelines; conduct initial survival analysis and strengthen/ refine scales as needed. NorthPointe will then provide a written technical report to the agency at the conclusion of the study.</li> <li>One progress payment will be made prior to the delivery of the completed report. A payment of \$15,000 will be made upon completion of data preparation, coding and cleaning.</li> <li>One time fee for remainder of balance to be reimbursed upon delivery of the Final Report as approved by the State consistent with Contract Standard 1.5 Acceptance.</li> </ul>	<b>\$47,000</b>
<p><b>Deliverable G – Probation Local Validation Study</b>  <u>Work Product(s)/Activity(ies)</u></p> <ul style="list-style-type: none"> <li>NorthPointe will collect the completed COMPAS assessments from the agency, provide data preparation, coding, cleaning, conduct reliability assessments, norming and calibration, perform analysis and comparisons between agency data and existing national norms, and conduct validation studies (concurrent validity). NorthPointe will then provide a written Technical Report to the agency at the conclusion of the study.</li> <li>One time fee to be reimbursed upon delivery of the Technical Report as approved by the State consistent with Contract Standard 1.5 Acceptance.</li> </ul>	<b>\$15,000</b>

<b>Deliverable H – Internal/ External Classification</b> <u>Work Product(s)/Activity(ies)</u> <ul style="list-style-type: none"> <li>NorthPointe will work with MDOC to assist in the development and implementation of a new generation External/ Internal Inmate Classification System. This system will incorporate the science developed for COMPAS using “Offender prototypes”. The instruments will be used to guide differential assignments to both housing and treatment services.</li> <li>Invoiced @ \$140.00 per hour</li> </ul>	<b>\$35,000</b>
<b>Deliverable I – Consultation</b> <u>Work Product(s)/Activity(ies)</u> <ul style="list-style-type: none"> <li>Respond to requests for information, presentations to State and local governmental officials and the State Legislature. NorthPointe will be reimbursed for all State-approved travel expenses. Expenses shall include, meals, lodging, airfare and gas mileage and shall be invoiced at State Standardized Rates.</li> <li>Invoiced @ \$150.00 per hour.</li> <li>Requires Contract Project Manager Prior Approval</li> </ul>	<b>\$18,000</b>
<b>Total:</b>	<b>\$510,050</b>

## II. Year Four Monthly Invoicing Template

Deliverable/Budget Amount/Required Verification			Completed Monthly by Contractor <sup>1</sup>	
Deliverables/Activities	FY-09 Budgeted Amount	Invoicing Rates	Amount Invoiced	Year to Date Total
<b>Deliverable A – Annual COMPAS Unlimited User Fee</b>	<b>\$225,000</b>	Invoiced quarterly @ ¼ of \$225,000 Quarterly = \$56,250.00	\$	\$
<b>Ad Hoc Report Generator. Maximum 100 @ \$20.00 each</b>	<b>\$ 2,000</b>	One Time Charge @ # of fees activated x \$20.00	\$	\$
<b>Deliverable B – Annual Maintenance and Support Fee</b>	<b>\$38,250</b>	Invoiced quarterly @ 17% of User Fee Value, (Value is \$225,000) Quarterly = \$9,562.50	\$	\$
<b>Deliverable C – COMPAS Training</b>	<b>\$34,800</b>	<ul style="list-style-type: none"> <li>Invoiced @ \$1,200.00 per day/\$600.00 per ½ day (4 hours)</li> <li>Woman’s COMPAS Training @ \$3,000 per day</li> </ul>	\$	\$
<b>Deliverable D – Project Management and Support</b> <i>Requires Contract Project Manager Prior Approval</i>	<b>\$60,000</b>	Invoiced @ \$140.00 per hour	\$	\$
<b>Deliverable E - COMPAS Software Customization</b> <i>Requires Contract Project Manager Prior Approval</i>	<b>\$35,000</b>	Invoiced @ \$140.00 per hour	\$	\$
<b>Deliverable F – 24 Month Outcomes Validation Study</b>	<b>\$47,000</b>	<ul style="list-style-type: none"> <li>One-time \$15,000 Payment for Progress</li> <li>One Time Fee for remainder of balance for completion of the Report as approved by the STATE (Contract Section 1.5 Acceptance)</li> </ul>	\$	\$

<sup>1</sup> Contractor is required to submit monthly back-up to support invoicing totals. Back-up must also include a brief narrative for each Deliverable invoiced constituting activity including goals accomplished, progress, meetings, completed reports, number and type of maintenance support responses handled and all other requests as determined by the State’s Contract Project Manager.



<b>Deliverable G – Probation Local Validation Study</b>	<b>\$15,000</b>	One Time Fee for completion of the Probation Local Validation Study Technical Report as approved by the STATE (Contract Section 1.5 Acceptance)	\$	\$
<b>Deliverable H – Internal/ External Classification</b>	<b>\$35,000</b>	Invoiced @ \$140.00 per hour	\$	\$
<b>Deliverable I – Consultation</b> <i>Requires Contract Project Manager Prior Approval</i>	<b>\$18,000</b>	Invoiced @ \$140.00 per hour	\$	\$
<b>Monthly Invoice Amount/ Year to Date Total</b>			\$	\$

### III. Year Four Monthly Narrative Progress Report



<b>Deliverables/Activities</b>	<b>Project Narrative</b> <i>(Required for Each Deliverable Invoiced)</i>	<b>Deadlines</b>
<b>Deliverable A – Annual COMPAS Unlimited User Fee.</b> <ul style="list-style-type: none"> <li>Ad Hoc Report Generator. Maximum 100 @ \$20.00 each</li> </ul>		
<b>Deliverable B – Annual Maintenance and Support Fee</b>		
<b>Deliverable C – COMPAS Training</b>		
<b>Deliverable D – Project Management and Support</b> <i>Requires Contract Project Manager Prior Approval</i>		
<b>Deliverable E - COMPAS Software Customization</b> <i>Requires Contract Project Manager Prior Approval</i>		
<b>Deliverable F – 24 Month Outcomes Validation Study</b>		
<b>Deliverable G – Probation Local Validation Study</b>		
<b>Deliverable H – Internal/ External Classification</b>		
<b>Deliverable I – Consultation</b> <i>Requires Contract Project Manager Prior Approval</i>		

**YEAR FIVE 10/1/09 to 2/6/10**

2/15/10          \$66,000 (Software License 12 Months)

**DELIVERABLE/PAYMENT – Receipt and signoff of Software Certificate**

2/15/10          \$16,000 (Software Maintenance/User Support)

**DELIVERABLE/PAYMENT – Receipt and signoff of Maintenance/Support Agreement**

YEAR FIVE TOTAL: \$82,000

**FIVE YEAR CONTRACT TOTAL: \$1,037,050.00**

STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT AND BUDGET  
PURCHASING OPERATIONS  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

March 7, 2007

CHANGE NOTICE NO. 2  
TO  
CONTRACT NO. 071B6200148  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF VENDOR <b>Northpointe Institute for Public Management, Inc</b> <b>5148 US 31 N.</b> <b>Williamsburg, MI 49690</b>		TELEPHONE Dave Wells <b>231-938-5959</b>
Email: wells@northpointe.intranets.com		BUYER/CA (517) 335-4804 <b>Doug Collier</b>
Contract Compliance Inspector: Barb Suska <b>COMPAS RISK NEEDS ASSESSMENT</b>		
CONTRACT PERIOD: From: <b>February 7 2006</b> To: <b>February 6, 2009</b>		
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>	
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>	
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>		
MISCELLANEOUS INFORMATION:		

**NATURE OF CHANGE(S)**

Please note that the contract title has been changed to COMPAS Risk Needs Assessment from Automated Offenders Assessment System (AORAS). Please note that the Contract Compliance Inspector is changed to Barb Suska. All other terms and conditions remain the same.

**AUTHORITY/REASON:**

Per agency and DMB agreement.

**TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$695,000.00**

STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT AND BUDGET  
ACQUISITION SERVICES  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

January 30, 2007

CHANGE NOTICE NO. 1  
TO  
CONTRACT NO. 071B6200148  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF VENDOR <b>Northpointe Institute for Public Management, Inc</b> <b>5148 US 31 N.</b> <b>Williamsburg, MI 49690</b>		TELEPHONE Dave Wells <b>231-938-5959</b>
Email: wells@northpointe.intranets.com		BUYER/CA (517) 335-4804 <b>Doug Collier</b>
Contract Compliance Inspector: Mark Lawrence <b>Automated Offenders Risk Assessment System (AORAS)</b>		
CONTRACT PERIOD: From: <b>February 7 2006</b> To: <b>February 6, 2009</b>		
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>	
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>	
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>		
MISCELLANEOUS INFORMATION:		

**NATURE OF CHANGE(S)**

Please see attached revised pricing which is to replace Exhibit B pricing in contract. Please note that the buyer has been changed to Doug Collier. All other terms and conditions remain the same.

**AUTHORITY/REASON:**

Per agency approval via email dated 1/29/2007 and vendor letter from David Wells dated 1/20/2007.

**TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$695,000.00**

## AORAS INVOICING SCHEDULE

- all dates are estimates
- invoices must be detailed as to deliverables or time and materials

**Project start date 2/15**

### **YEAR ONE**

#### **Phase 1**

2/15/06          \$30,000 (Software License 12 Months)

Work Product(s)/Activity(ies)

- o Install and test, the COMPAS software on the system server(s) for access by the users in a test, training and production environment

**DELIVERABLE/PAYMENT – Receipt and signoff of Software Certificate/State Acceptance of Software**

4/15/06          \$20,000 (Project Management)

Work Product(s)/Activity(ies)

- o Mobilize project support
- o Formation of Action Team
- o Build an optimal design
- o Begin development of performance specifications

**DELIVERABLE/PAYMENT – Receipt and signoff of Draft Optimal Design (Report)**

5/15/06          \$5,000 (Training)

Work Product(s)/Activity(ies)

- o Develop Training plan and materials coordinated with DOC MPRI staff and modified as determined appropriate to assure they meet the needs of staff at each phase of the project
- o Quarterly Status Report (2/1-4/30)

**DELIVERABLE/PAYMENT – Receipt and signoff of Training Plan**

6/15/06          \$14,000 (Training)

Work Product(s)/Activity(ies)

- o Conduct Pilot Sites Training

**DELIVERABLE/PAYMENT – Completion and signoff of all Pilot Sites Training**

7/15/06          \$15,000 (Project Management)

Work Product(s)/Activity(ies)

- o Finalize Performance Specifications (REPORT)
- o Develop Sampling Procedures
- o Initiate Quality Control procedures
- o Begin Pilot data collection
- o Quarterly Status Report (5/1-7/31)

**DELIVERABLE/PAYMENT – Receipt and signoff of Performance Specifications (Report)**

10/31/06          \$30,000 (Research, Data Analysis) prep, coding, analysis completed)

Work Product(s)/Activity(ies)

- o Finish data collection
- o Finalize data analysis plan
- o Prep and code data
- o Begin data analysis for validation study

○ Conduct initial process evaluation (REPORT)  
DELIVERABLE/PAYMENT – Receipt and signoff of Initial Process Evaluation (Report)

11/15/06 \$15,000 (Project Management)

Work Product(s)/Activity(ies)

- Phase Two preparation
- Attend regular meetings
- Quarterly Status Report (8/1-10/31)

**DELIVERABLE/PAYMENT – Receipt and signoff of Quarterly Status Report**

11/30/06 \$5,000 (Research Data Analysis) report presentation)

Work Product(s)/Activity(ies)

- Finalize and submit validation study (REPORT)

DELIVERABLE/PAYMENT – Receipt and signoff of Validation Study (Report)

1/31/07 \$6,000 (Training)

Work Product(s)/Activity(ies)

- Develop Train the Trainers Manual

**DELIVERABLE/PAYMENT – Receipt and signoff of Final Manual**

2/15/07 \$8,000 (Training)

Work Product(s)/Activity(ies)

- Conduct Initial train the trainer workshops

DELIVERABLE/PAYMENT – Completion and signoff of all Initial Train the Trainer Workshops

2/15/07 \$10,000 (Project Management)

Work Product(s)/Activity(ies)

- Review cutting points for risk levels
- Begin expanding use of COMPAS to additional Phase II sites
- Quarterly Status Report (11/1-1/31)

**DELIVERABLE/PAYMENT – Receipt and signoff of Quarterly Status Report**

Time to be Determined: Software Customization (\$25,000)

DELIVERABLE/PAYMENT – Receipt and signoff of Progress Reports – Not to exceed \$25,000  
(invoiced on a Time & Material basis)

Time to be Determined: OMNI Interface (\$15,000)

DELIVERABLE/PAYMENT – Receipt and signoff of Progress Reports – Not to exceed \$15,000  
(invoiced on a Time & Material basis)

Throughout Year One: Media (\$3,000)

- Billed/added to other invoices as costs are incurred.

**DELIVERABLE/PAYMENT – Signed proof of Receipt**

YEAR ONE TOTAL: \$201,000

**YEAR TWO**

**Phase Two**

2/15/07 \$35,000 (Software License 12 Months)

**DELIVERABLE/PAYMENT – Receipt and signoff of Software Certificate**

2/15/07        \$10,000 (Software Maintenance/User Support)  
DELIVERABLE/PAYMENT – Receipt and signoff of Maintenance/Support Agreement

4/15/07        \$7,000 (Training) phase II site trainings  
    ◦ Conduct Phase II site training

**DELIVERABLE/PAYMENT – Completion and signoff of all Phase II Site Training**

5/15/07        \$15,000 (Project Management)

Work Product(s)/Activity(ies)

- Conduct 2<sup>nd</sup> process evaluation study (REPORT)
- Attend regular project meetings
- Quarterly status report (2/1-4/30)

**DELIVERABLE/PAYMENT – Receipt and signoff of 2<sup>nd</sup> Process Evaluation Study (Report)**

8/15/07        \$15,000 (Project Management)

Work Product(s)/Activity(ies)

- Attend regular project meetings
- Quarterly status report (5/1-7/31)

**DELIVERABLE/PAYMENT – Receipt and signoff of Quarterly Status Report**

11/15/07       \$15,000 (Project Management)

Work Product(s)/Activity(ies)

- Attend regular project meetings
- Quarterly status report (8/1-10/31)

**DELIVERABLE/PAYMENT – Receipt and signoff of Quarterly Status Report**

11/15/07       \$10,000 (Research/Data Analysis) prep, coding, analysis begun)

Work Product(s)/Activity(ies)

- Finalize outcomes data collection
- Data prep and coding
- Begin outcome study analysis

DELIVERABLE/PAYMENT – Receipt and signoff of Draft Outcomes Data Collection (Report)

1/15/08        \$25,000 (Research/Data Analysis) analysis completed

Work Product(s)/Activity(ies)

- Complete outcomes analysis
- Begin report writing

DELIVERABLE/PAYMENT – Receipt and signoff of Final Outcomes Analysis (Report)

2/15/08        \$15,000 (Project Management)

Work Product(s)/Activity(ies)

- Attend regular project meetings
- Quarterly status report (11/1-1/31)
- Modify COMPAS scales as necessary
- Explore matching profiles to program recommendations

**DELIVERABLE/PAYMENT – Receipt and signoff of Quarterly Status Report**

2/15/08        \$5,000 (Research/Data Analysis) report presentation

Work Product(s)/Activity(ies)

- Finalize and submit first outcomes study (REPORT)

DELIVERABLE/PAYMENT – Receipt and signoff of First Outcomes Study (Report)

Time to be Determined \$25,000 Software Customization

DELIVERABLE/PAYMENT - Receipt and signoff of Progress Reports – Not to exceed \$25,000  
(Invoiced on a Time & Material basis)

Throughout Year Two: \$1,000 (Media)

- Billed/added to other invoices as costs are incurred.

**DELIVERABLE/PAYMENT – Signed proof of Receipt**

YEAR TWO TOTAL: \$178,000

**YEAR THREE**

2/15/08 \$35,000 (Software License 12 Months)

**DELIVERABLE/PAYMENT – Receipt and signoff of Software Certificate**

2/15/08 \$12,000 (Software Maintenance/User Support)

DELIVERABLE/PAYMENT – Receipt and signoff of Maintenance/Support Agreement

5/15/08 \$10,000 (Project Management)

Work Product(s)/Activity(ies)

- Attend regular project meetings
- Quarterly status report (2/1-4/30)

DELIVERABLE/PAYMENT - Receipt and signoff of Quarterly Status Report

8/15/08 \$9,000 (Project Management)

Work Product(s)/Activity(ies)

- Attend regular project meetings
- Quarterly status report (5/1-7/31)

DELIVERABLE/PAYMENT - Receipt and signoff of Quarterly Status Report

11/15/08 \$8,000 (Project Management)

Work Product(s)/Activity(ies)

- Attend regular project meetings
- Quarterly status report (8/1-10/31)

DELIVERABLE/PAYMENT - Receipt and signoff of Quarterly Status Report

11/15/08 \$25,000 (Research/Data Analysis) data collection, coding, analysis begun)

Work Product(s)/Activity(ies)

- Finalize 24 month outcomes data collection
- Clean, prep and code data
- Begin 2<sup>nd</sup> outcomes analysis

DELIVERABLE/PAYMENT – Receipt and signoff of Draft Outcomes Data Collection (Report)

Time to be Determined: Software Customization (\$25,000)

- Billed bi-monthly as appropriate



DELIVERABLE/PAYMENT – Receipt and signoff of Progress Reports – Not to exceed \$25,000  
(Invoiced on a Time & Material basis)

1/15/09 \$20,000 (Research/Data Analysis)

Work Product(s)/Activity(ies)

- Complete 2<sup>nd</sup> outcomes analysis
- Develop predictive risk scales
- Review cuttings points

DELIVERABLE/PAYMENT – Receipt and signoff of Draft Outcomes Analysis (Report)

2/15/09 \$8,000 (Project Management)

Work Product(s)/Activity(ies)

- Attend regular project meetings
- Quarterly status report (11/1-1/31)

**DELIVERABLE/PAYMENT - Receipt and signoff of Quarterly Status Report**

2/15/09 \$7,000 (Research/Data Analysis)

Work Product(s)/Activity(ies)

- Conduct Survival Analysis
- Finalize and submit 24 Month Outcomes Study (REPORT)

DELIVERABLE/PAYMENT – Receipt and signoff of Final Outcomes Study (Report)

Throughout Year 3 \$1,000 (Media)

- Billed/added to other invoices as costs are incurred.

**DELIVERABLE/PAYMENT – Signed proof of Receipt**

YEAR THREE TOTAL: \$160,000

**YEAR FOUR**

2/15/09 \$60,000 (Software License 12 Months)

**DELIVERABLE/PAYMENT – Receipt and signoff of Software Certificate**

2/15/09 \$14,000 (Software Maintenance/User Support)

DELIVERABLE/PAYMENT – Receipt and signoff of Maintenance/Support Agreement

YEAR FOUR TOTAL: \$74,000

**YEAR FIVE**

2/15/10 \$66,000 (Software License 12 Months)

**DELIVERABLE/PAYMENT – Receipt and signoff of Software Certificate**

2/15/10 \$16,000 (Software Maintenance/User Support)

**DELIVERABLE/PAYMENT – Receipt and signoff of Maintenance/Support Agreement**

YEAR FIVE TOTAL: \$82,000

**FIVE YEAR CONTRACT TOTAL: \$695,000**

STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT AND BUDGET  
ACQUISITION SERVICES  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

February 23, 2006

NOTICE  
OF  
CONTRACT NO. 071B6200148  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF VENDOR <b>Northpointe Institute for Public Management, Inc</b> <b>5148 US 31 N.</b> <b>Williamsburg, MI 49690</b>		TELEPHONE Dave Wells <b>231-938-5959</b>
Email: wells@northpointe.intranets.com		BUYER/CA (517) 241-2005 <b>Lisa Morrison</b>
Contract Compliance Inspector: Mark Lawrence <b>Automated Offenders Risk Assessment System (AORAS)</b>		
CONTRACT PERIOD: From: <b>February 7 2006</b> To: <b>February 6, 2009</b>		
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>	
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>	
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>		
MISCELLANEOUS INFORMATION:		

**Estimated Contract Value: \$695,000.00**

STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT AND BUDGET  
ACQUISITION SERVICES  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

January 24, 2006

NOTICE  
OF  
CONTRACT NO. 071B6200148  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF VENDOR <b>Northpointe Institute for Public Management, Inc</b> <b>5148 US 31 N.</b> <b>Williamsburg, MI 49690</b> <b>wells@northpointe.intranets.com</b>		TELEPHONE Dave Wells <b>231-938-5959</b>
Contract Compliance Inspector: Mark Lawrence <b>Automated Offenders Risk Assessment System (AORAS)</b>		BUYER/CA (517) 241-2005 <b>Lisa Morrison</b>
CONTRACT PERIOD: From: <b>February 7 2006</b> To: <b>February 6, 2009</b>		
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>	
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>	
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>		
MISCELLANEOUS INFORMATION: <b>The terms and conditions of this Contract are those of ITB # <u>071I6200049</u> this Contract Agreement and the vendor's quote dated December 15, 2005. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.</b> <b>Estimated Contract Value: \$695,000.00</b>		

**THIS IS NOT AN ORDER:** This Contract Agreement is awarded on the basis of our inquiry bearing the **ITB No. 071I6200049**. Orders for delivery of equipment will be issued directly by the **Department of Information Technology** through the issuance of a Purchase Order Form.

All terms and conditions of the invitation to bid are made a part hereof.

**FOR THE VENDOR:**

**FOR THE STATE:**

\_\_\_\_\_  
Firm Name  
\_\_\_\_\_  
Authorized Agent Signature  
\_\_\_\_\_  
Authorized Agent (Print or Type)  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature  
**Greg Faremouth**  
\_\_\_\_\_  
Name  
**IT Division**  
\_\_\_\_\_  
Title  
\_\_\_\_\_  
Date

# Automated Offender Risk Assessment System (AORAS)

## Table of Contents

<b>Article 1 – Statement of Work (SOW)</b> .....	<b>2</b>
<b>1.0 Project Identification</b>	
<b>1.001 PROJECT REQUEST</b> .....	<b>2</b>
<b>1.002 BACKGROUND</b> .....	<b>2</b>
<b>1.1 Scope of Work and Deliverables</b>	
<b>1.101 IN SCOPE</b> .....	<b>4</b>
<b>1.102 OUT OF SCOPE</b> .....	<b>7</b>
<b>1.103 TECHNICAL ENVIRONMENT</b> .....	<b>8</b>
<b>1.104 WORK AND DELIVERABLE</b> .....	<b>9</b>
<b>1.2 Roles and Responsibilities</b>	
<b>1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES</b> .....	<b>36</b>
<b>1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES</b> .....	<b>39</b>
<b>1.203 OTHER ROLES AND RESPONSIBILITIES</b> .....	<b>40</b>
<b>1.3 Project Plan</b>	
<b>1.301 PROJECT PLAN MANAGEMENT</b> .....	<b>40</b>
<b>1.302 REPORTS</b> .....	<b>41</b>
<b>1.4 Project Management</b>	
<b>1.401 ISSUE MANAGEMENT</b> .....	<b>41</b>
<b>1.402 RISK MANAGEMENT</b> .....	<b>41</b>
<b>1.403 CHANGE MANAGEMENT</b> .....	<b>42</b>
<b>1.5 Acceptance</b>	
<b>1.501 CRITERIA (Deliverables Based)</b> .....	<b>42</b>
<b>1.502 FINAL ACCEPTANCE</b> .....	<b>44</b>

## **Article 1 – Statement of Work (SOW)**

### **1.0 Project Identification**

#### **1.001 PROJECT REQUEST**

This contract is for the purchase and implementation of a Commercial Off The Shelf (COTS) Automated Offender Risk Assessment System (AORAS). The AORAS must be able to assess offender risks, needs and strengths at intake and periodically throughout the offenders' correctional experience. The AORAS-generated assessment will form the basis of offender case planning and management. AORAS interface with the Department's case management system the Offender Management Network Information (OMNI) system is required.

The Contractor is required to propose an option for purchase and installation of all software needed to run the vendor's proposed AORAS. The State may accept this option, or purchase the software, other than the vendor's AORAS, through state contracts.

The AORAS contract will include the purchase of the COTS software, customization, installation and implementation, on-site staff training, support and maintenance, norming, reliability & validity testing.

This contract will be for a 3-year period with 2 optional 1-year extensions.

#### **1.002 BACKGROUND**

##### ***Michigan Prisoner Reentry Initiative***

Michigan is into its second year of the Michigan Prisoner Reentry Initiative (MPRI), which is a key component of the Department's Three Year Plan to Control Prison Growth. Current estimates indicate that the Three Year Plan could result in \$68 million in cost avoidance in fiscal year 2006 and delay the need for additional prison capacity for at least another several years. The MPRI is an effort to reduce the recidivism of offenders released from prison by better identifying and addressing the risks, needs and strengths that impact their ability to successfully reintegrate into society. Identifying all of the factors that contribute to ongoing criminality and developing a plan to reduce risks, address needs and exploit offender strengths in a timely manner is central to the MPRI effort.

MPRI is a multi-agency collaborative effort that originated in the Governor's Office. The initiative is managed by:

State Policy Team (SPT): Comprised of the Director of MDOC, Deputy Director of MDOC, the Governor's Criminal Justice Policy Advisor, Deputy Directors of Human Services, Community Health and Labor and Economic Growth.

Executive Management Team (EMT): Comprised of the leadership of each of seven topic specific work groups. The EMT functions as a forum for sharing information across the work groups and is the first level of review and approval of recommendations developed by Work Groups and Committees. All recommendations that go to the SPT are first reviewed and approved by the EMT.

Advisory Council: The Advisory Council is made up of all parties interested in the MPRI. It provides the broadest forum for "public" input and dissemination of MPRI progress and information.

Numerous Work Groups and Committees: Comprised of but not limited to three standing workgroups, "Getting Ready", "Going Home", "Staying Home."

### ***Risk and Needs Based Programming***

**Current** literature on corrections programming consistently shows that in order to achieve positive outcomes in terms of reducing recidivism, programs must meet several related criteria (see, for example, Mackenzie, Doris Layton, University of Maryland, "Sentencing and Corrections in the 21<sup>st</sup> Century: Setting the Stage for the Future" [www.ncjrs.org/pdffiles/nij/189106-2.pdf](http://www.ncjrs.org/pdffiles/nij/189106-2.pdf)). Among other things, **successful** programs **must**:

- Have program/treatment integrity. In other words, programs must be implemented as designed and consistent with the underlying theory of the program or treatment.
- Target dynamic, criminogenic needs. Programs/treatments must address factors that can be demonstrated to correlate with criminal activity and which can be changed given appropriate and effective intervention.
- Target offenders with a sufficient level of risk to achieve meaningful reductions in outcomes. In addition, the most intensive levels of service should be targeted at those offenders that present the highest risk of recidivism.
- Be delivered in a manner appropriate to the capabilities and learning style of the target audience.

Obviously, all but the first criterion require that decisions about programs and treatments be based on a valid and reliable assessment of offenders' risk, needs and strengths. Without such an assessment, it is impossible to accurately target program interventions to achieve maximum feasible impact. In fact, there is a growing body of literature that indicates that delivering inappropriate services to low risk offenders can have precisely the opposite of the desired effect; that is, risk can actually be increased by delivering services that are unrelated to the offender's true level of risk, needs and strengths.

Thus, a key element in the process of developing comprehensive case plans will be the implementation of a comprehensive, reliable, valid and objective system of risk, needs and strengths assessment to form the basis for all subsequent planning, programming and treatment.

### ***Selection Criteria for the AORAS***

A committee comprised of representatives of several State Departments, University Faculty, private treatment providers and other non-governmental agencies was established. The committee was charged with developing criteria to be used in selecting a risk, needs and strengths assessment instrument based on the principles listed above, the structure of the MPRI model and input from MPRI work groups spanning all areas of the model. Members of the committee were specifically selected for their knowledge of prisoner reentry, risk prediction, case planning and other areas directly relevant to the selection process. Following an exhaustive review of best practices in Michigan and other jurisdictions, a critical review of literature, reports and studies and assessment of instruments in use in other jurisdictions, the committee determined that the following criteria needed to be used in the selection process for a new risk, needs and strength assessment instrument. Specifically, any instrument selected must be grounded in established theories of criminology and criminal justice and identify all relevant risks and needs that contribute to criminal behavior. Throughout the literature, several key "domains" of needs have been identified as being associated with the risk of returning to prison.

Key domains include:

- Anti-social, criminal attitudes
- Education, vocational training and abilities
- Substance Abuse

- Criminal Family/Associates
- Mental Health
- Housing/Neighborhood Quality
- Employment/Financial Stability

In addition, the **AORAS** must satisfy the following attributes consistent with best practices in the field:

- Focus primarily on dynamic factors (those that can be changed).
- Be valid (measure what it claims to measure) and reliable (give the same results over time and across multiple users)
- Be useful for developing case management plans and facilitating structured decision making by Department of Corrections personnel
- Be appropriate for repeated measures to facilitate monitoring of positive and negative changes over time.
- Be feasible for use with existing data systems
- Be cost effective
- Meet identified training requirements
- Not negatively impact staffing requirements and overall work loads
- Provide for enhancements and scalability as MPRI evolves and assessment requirements change over time.

Finally, the committee determined that any instrument selected must have demonstrated its capabilities with regard to assessment, case planning and case management when applied to other correctional populations.

Results of the committee's work were reviewed and approved by both the Executive Management Team of MPRI and the State Policy Team.

## 1.1 Scope of Work and Deliverables

### 1.101 IN SCOPE

**The implementation of AROAS will be completed in 4 phases.**

#### Phase I – Pilot Program

**Design Pilot Study** – The vendor must design a pilot study and sampling structure for initial process measurement, norming and testing of reliability and validity of the instrument for the Michigan prisoner population. Design must include appropriate controls for potential internal and external threats to validity.

**Installation** – The vendor will install and test, training and production environment for the AORAS system. The licensing agreement must include permissions for users to operate in the test, training and production environments simultaneously.

**Requirements** – The AORAS must provide the following functionality for MDOC staff:

- Provide the capacity within the application to enable user to input relevant data with regard to individual offender risk, needs and strengths specifically in the following areas:
  - Anti-social and/or criminal attitudes
  - Education achievement, Vocational training and abilities in these domains
  - Substance abuse history/use
  - Criminal associates, including family
  - Mental health history
  - Housing and neighborhood quality
  - Employment history and financial stability.
- Include a capacity to calculate the offender's risk potential based on the individual offender risk and needs inputs in the areas of violence, recidivism, and community non-compliance
- Include the capability to allow the user to edit or modify data input for individual offender risk and needs and recalculate the offender's risk potential for violence, recidivism, and community non-compliance
- Include the capability to be able to calculate the severity of the individual offender's criminogenic factors and needs based on individual offender and needs inputs.
- Provide a graphical representation and the capability to print a report to display the offender's risk potential, strengths, and criminogenic needs ratings. Provide an interface that prioritizes the offender's criminogenic needs that forms the basis of case management plans.
- Include the functionality to save risk, needs and strength assessment inputs and outputs based on the date the assessment completion date.
- Provide a facility to create a case plan that documents specific, time sensitive objectives that address assessed criminogenic factors and needs.
- Include the capacity to document means by which case management objectives will be achieved
- Include the capacity to document progress in achievement of case management objectives
- Include the capacity to retire case management objectives and quantify the quality of completion of case management objectives
- Include a capacity to document resources required to complete case management objectives and methods
- Include functionality to create subsequent case management plans that include the capacity to inherit unsatisfied case management objectives from previous plans.
- Include the capacity to store a unique database identifier and Michigan Department of Corrections offender number to enable data integration with the Offender Management Network Information (OMNI) system.
- Modify field labels as needed to capture customary terms used within the MDOC.



- Include the capacity to adjust variable weights and computation algorithms based on results of local norming studies.

**Testing & Norming** - Test reliability, norming and validity of the instrument as applied to the Michigan prisoner population. In the broad sense, "**norming**" refers to adapting an instrument developed on another population to a new population of interest. In other words, we want to be sure that whatever instrument we select "works" here in Michigan, and that distributions, cutoff points, etc. are appropriate to Michigan populations of interest, including separate values for age groups, genders, etc. Testing must include internal and inter-rater reliability, construct, factor validity and testing against relevant facets of recidivism. "**Inter-Rater Reliability**" refers to the extent that two trained scorers (or data coders) assessing the same case will arrive at the same result. If there were high levels of disagreement about the same case across multiple raters, the instrument would be viewed as being unreliable, either because of intrinsic flaws in the instrument, instructions or training of coders.

**Implementation to Pilot Sites** – The vendor must set up a system database, configuration and client access with the assistance of the Michigan Department of Information Technology (MDIT) at the following locations during the first phase of the project:

- **Robert Scott Correctional Facility**
- **Charles Egler – Reception Guidance Center**
- **Cooper Street Correctional Facility**
- **Huron Valley Women's Correctional Facility.**

**Training** – Provide on-site, instructor led training to approximately 100 MDOC staff assigned to Robert Scott Correctional Facility, Charles Egler – Reception Guidance Center, Cooper Street Correctional Facility, Huron Valley Women's Correctional Facility and Central Office. Training must occur concurrently with phase I pilot installations and be completed within 90 days of installation.

**Support** – During Phase I of the project the vendor must provide:

Critical User Support - Experienced technical support with a toll free number, 8X5, with a guaranteed callback response of less than four hours.

Non-Critical User Support – Email support with a guaranteed four-hour acknowledgement of receipt of issue with an appropriate timeframe for resolution.

## **Phase II – Roll Out**

**Installation** - The vendor must set up client access at 32 additional prison locations and 80 parole field offices during the second phase of the project with the assistance of the Michigan Department of Information Technology (MDIT). MDOC has not yet identified the specific installation sites, but the vendor should assume selection would encompass MDOC sites throughout the lower and upper peninsulas.

**Training** - The agency would like to use the "train the trainer" approach to training agency staff during this phase of the project. As such, the vendor must provide appropriate additional on-site training to 3 MDOC staff and supply the agency with "student" training materials that can be used by trainers with regard to use of the system.

**Support and Maintenance** The vendor must continue to provide:

Critical User Support - Experienced technical support with a toll free number, 8X5, with a guaranteed callback response of less than four hours.

Non-Critical User Support – Email support with a guaranteed four-hour acknowledgement of receipt of issue with an appropriate timeframe for resolution.

**Integration with the Offender Management Network Information (OMNI) System** – During this phase of the project, the vendor must provide technical assistance as needed to assist the agency in defining, designing and developing a plan to integrate the assessment instrument into the OMNI system.

### **Phase III – Future Enhancements/Customization**

**Customization** - Develop capability of instrument for providing updated assessments of dynamic factors based on offender behavior, program participation and completion, etc. Customize the instrument specifically for re-screening of offenders, if necessary.

Develop scoring algorithms for risk, needs and strengths, incorporating demonstrated, quantified impact of programs, treatments, and/or interventions. Work with the Department and other researchers to obtain impact measures that can be incorporated into the risk, needs and strengths assessment.

Revise instrument based on result of original testing as identified in phase I. Develop instrument variants suitable for re-screening at specified stages of correctional process, as appropriate.

**Support and Maintenance** The vendor must continue to provide:

Critical User Support - Experienced technical support with a toll free number, 8X5, with a guaranteed callback response of less than four hours.

Non-Critical User Support – Email support with a guaranteed four-hour acknowledgement of receipt of issue with an appropriate timeframe for resolution.

The vendor should also expect to assist the agency in developing a methodology to conduct ongoing studies of assessment instrument performance, including continuing measures of reliability and validity during this phase of the project.

### **Phase IV**

Support and Maintenance – This phase of the project would consist of a maintenance agreement with the agency to provide technical assistance for the database and application for a period not to exceed two years following the projects completion. During this phase of the project, the vendor should expect to provide:

Critical User Support - Experienced technical support with a toll free number, 8X5, with a guaranteed callback response of less than four hours.

Non-Critical User Support – Email support with a guaranteed four-hour acknowledgement of receipt of issue with an appropriate timeframe for resolution.

#### **1.102 OUT OF SCOPE**

Actual integration of risk instrument into OMNI (MDIT/MDOC).

Conduct evaluation studies to determine impact of MDOC and other programs and treatments on recidivism and risk.

Application of risk, needs and strengths instrument outcomes to related MDOC functions, e.g. Parole Guidelines.

Development of Case Management Plans and Transition Accountability Plans based on risk and needs assessment outcomes.

### **1.103 TECHNICAL ENVIRONMENT**

#### Hardware/Network Environment

- Wide Area Network (WAN) Environment
- File and Print Servers have Novell Operating System
- Desktops have a mixture of Windows NT and XP Operating Systems
- MDOC has a managed desktop – applications are packaged and pushed to the desktops via Novel Zen software

#### Offender Management Network Information (OMNI) System

- Database is Sybase 12.5 residing on a Sun Solaris Unix box  
OMNI application is developed in PowerBuilder 9.0

The MDOC currently has a client-server environment with locally hosted applications on a Unix server. The MDOC has approximately 60 prison facilities or probation/parole Offices connected to the Lansing Metropolitan Network (LMAN) operating on T1 lines. Other sites connect back to the LMAN with slower line speeds such as 56KB. The minimum desktop has a Pentium 3 processor with at least 256K RAM running on Windows NT or Windows XP.

The Department uses the Microsoft Office XP Professional suite for word processing and office applications. In addition, the Department uses Adobe Acrobat 6.1 for creating and reviewing .PDF documents. The Department has implemented a managed desktop environment where users do not have administrative rights to the desktop. There is a limited development, production and testing environment available.

Contractor must provide the database technology (Oracle, SQL Server, etc.), the server operating system, the workstation operating system, the server hardware requirements, the workstation hardware requirements, the maximum total number of users, the maximum number of concurrent users and whether customization may be performed by MDIT staff, Contractor and/or a third party. In addition, the Contractor must identify the effect of, or minimum requirements of different network connection speeds or types of connections. Contractor must provide copies of the proposed license agreements for any Commercial Off The Shelf (COTS) software, as well as maintenance costs.

Oracle and MS SQL are the state standards and the product must run in one of these environments. Vendor must provide the hardware specifications.

#### **Following is a list of technical requirements the system must meet:**

- The system must be capable of performing Data Integrity as part of normal maintenance and after restoration of data files.
- The system must allow on-site administrator access for configuration of the system.
- The system must allow the administrator to support the system remotely via VPN access.
- Critical User Support - Experienced technical support with a toll free number, 8X5, with a guaranteed callback response of less than four hours.
- Non-Critical User Support – Email support with a guaranteed four-hour acknowledgement of receipt of issue with an appropriate timeframe for resolution.

- The system must allow 8X5XNBD user and administrative access and use to meet the requirements set by regulating agencies and/or institutions.
- All upgrades, releases, and fixes need to be fully tested at the vendor site with a comparable system.
- The vendor will provide support for upgrades, releases, etc to ensure an operational production environment.
- The vendor must provide the number of releases scheduled per year.
- The vendor must provide the date of the next major release and provide the cost to configure a major release based on historical data.
- All scheduled releases must be delivered to the State within three months of the scheduled release date.
- Service Level Agreement : If the release is not received within three months and 14 calendar days from the scheduled release date, there will be a \$500 penalty imposed in the form of a credit to the maintenance costs.
- The system must have the ability to handle “surge capacity” in times of emergency and crisis, without the shutdown of the system and/or limitation of users due to license usage, etc. (temporary addition of licenses, etc to be billed later)
- The system must have a means of “journaling” to insure that data is not lost from the time of the last backup to the time the system failure occurred.
- The system must keep a complete audit trail of all entries and edits within the system. This includes but is not limited to; reports, tests, database items, etc.
- The system must comply with all Federal and State government, laws, regulations, requirements, guidelines and grants.

#### **1.104 WORK AND DELIVERABLE**

Contractor shall provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

##### **Phase I**

**Design Pilot Study** – The vendor must design a pilot study and sampling structure for initial process measurement, norming and testing of reliability and validity of the instrument for the Michigan prisoner population. Design must include appropriate controls for potential internal and external threats to validity.

Northpointe’s research staff will work closely with MDOC project staff to develop a scientifically defensible sampling plan of the Michigan prison/parole offender population. This sample will take into consideration the types of offenders in each prison in the system i.e. male, female, security level, etc., and the parole release rates at each prison to develop a statistically representative sample of the entire offender population and which will also support the initial 12 months outcomes study. In recent similar

pilot tests on the California and New York prison/parole population the sampling included approximately 1,100 inmates from each system.

There are two primary, relevant data collection objectives for the COMPAS pilot study. First, we need to collect data to norm the COMPAS scale cut-points to parolees in the State of Michigan. Second, we need to compile a sample of offenders of sufficient size and proper composition to conduct an outcomes analysis within 15 months of the start of the pilot study.

#### Sampling to estimate population parameters

One of our objectives is to estimate summary statistics such as the mean scale scores and the median and other quantiles of scale scores in the sample which may be defined as inmates soon-to-be released to parole who have been incarcerated in prison for at least 12 months. We are also interested in examining and comparing the cumulative distributions of scale scores for males and females. These data are used to calculate decile (percentile) scores used to locate an inmate's score relative to other soon-to-be-released inmates and to set scale cutting-points.

#### Sampling for outcomes analyses

The pilot design also calls for a test of the validity of the COMPAS risk scales for predicting different types of parole failure, including violence, absconding, arrest, and non-compliance. Separate failure-specific regression models will be fitted for each outcome.

**Installation** – The vendor will install and test, training and production environment for the AORAS system. The licensing agreement must include permissions for users to operate in the test, training and production environments simultaneously.

Northpointe will install the COMPAS software on the system server(s) for access by the users in a test, training and production environment. The COMPAS software will be the same in each environment but separate databases will be maintained. If the Web COMPAS solution were chosen this would result in three separate websites to facilitate this objective. The COMPAS software license will provide for all three environments.

**Requirements** – The AORAS must provide the following functionality for MDOC staff:

- Provide a facility within the application to enable user to input relevant data with regard to individual offender risk, needs and strengths specifically in the following areas:
  - Anti-social and/or criminal attitudes
  - Education achievement, Vocational training and abilities in these domains
  - Substance abuse history/use
  - Criminal associates, including family
  - Mental health history
  - Housing and neighborhood quality
  - Employment history and financial stability.

COMPAS provides for the input of ALL relevant data including those domains outlined above. A simple user interface – point and click – is utilized. Data may also be SCANNED into COMPAS by using the optional ScanTron scanning solution. This eliminates the need for any manual data entry. The sample COMPAS screen shots below show the data entry process, simply point and click on the appropriate response choice. The selected response is loaded in the Answer column.

COMPAS 4 Jones, Robert Site: Northpointe Cor Risk Assessment Scale Set: All, with Screener Judgment #121989 ...

File Tools Reports Summary! Help

Open Case Personal Notes Compute Assessment Case Planning Pre-Screener

Screening Date: 12/06/2005 Comment: < > Next Q Next Unans.

WORK/MONEY LEISURE SOCIAL ISO. PERSONALITY ANGER ATTITUDES JUDGMENT

CHARGES HISTORY COMPLIANCE RESIDENCE FAMILY PEERS SUB ABUSE SOCIAL ENV. EDUCATION

#	Please think of your friends and the people you hung out with before your most recent arrest/incarceration? - 6 Questions	Answer	1	2	3	4	5
53	In the last couple of years before this incarceration, how many of your friends/acquaintances had ever been arrested?	Most	None	Few	Half	Most	
54	In the last couple of years before this incarceration, how many of your friends/acquaintances served time in jail or prison?	Most	None	Few	Half	Most	
55	In the last couple of years before this incarceration, how many of your friends/acquaintances were gang members?	Few	None	Few	Half	Most	
56	In the last couple of years before this incarceration, how many of your friends/acquaintances were taking drugs regularly (more than a couple times a month)?	Most	None	Few	Half	Most	
57	Have you ever been a gang member?	No	Yes	No			
58	In the last couple of years before this incarceration, were you a gang member?		Yes	No			

COMPAS 4 Jones, Robert Site: Northpointe Cor Risk Assessment Scale Set: All, with Screener Judgment #121989 ...

File Tools Reports Summary! Help

Open Case Personal Notes Compute Assessment Case Planning Pre-Screener

Screening Date: 12/06/2005 Comment: < > Next Q Next Unans.

CHARGES HISTORY COMPLIANCE RESIDENCE FAMILY PEERS SUB ABUSE SOCIAL ENV. EDUCATION

WORK/MONEY LEISURE SOCIAL ISO. PERSONALITY ANGER ATTITUDES JUDGMENT

#	The next few questions are about what you are like as a person, what your thoughts are, and how other people see you. There are no "right or wrong" answers. Just indicate how much you agree or disagree with each statement - 9 Questions	Answer	1	2	3	4	5
116	"I am seen by others as cold and unfeeling."	Agree	Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree
117	"I always practice what I preach."	Disagree	Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree
118	"The trouble with getting close to people is that they start making demands on you."	Strongly Agree	Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree
119	"I have the ability to "sweet talk" people to get what I want."	Agree	Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree
120	"I have played sick to get out of something."	Agree	Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree
121	"I'm really good at talking my way out of problems."	Strongly Agree	Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree
122	"I have gotten involved in things I later wished I could have gotten out of."	Sometimes	Never	Sometimes	Often	Very Often	All the Time
123	"I feel bad if I break a promise I have made to someone."		Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree
124	"To get ahead in life you must always put yourself first."		Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree

- Include a capacity to calculate the offender's risk potential based on the individual offender risk and needs inputs in the areas of violence, recidivism, and community non-compliance

As shown on page 16 and in the Appendices, the COMPAS software currently provides for the automatic scoring of the offenders risk scale scores including those for violence, recidivism and community non-compliance (technical violation). This assessment is computed typically in 3 to 8 seconds of clicking the assessment button in the software.

- Include a facility to allow the user to edit or modify data input for individual offender risk and needs and recalculate the offender's risk potential for violence, recidivism, and community non-compliance

COMPAS allows for this "edit/modify feature thru various functional buttons on the Summary screen as shown below.

**COMPAS 4 Jones, Robert Site: Northpointe Cor**

File Tools Reports Summary! Help

Open Case Personal Notes Case Planning Pre-Screener

**COMPAS Case Summary** [Print]

**Personal Data**

Offender #: 121989 DOB: 11/01/1968 Ethnic/Race: W (White) Client ID:  
 SSN: 111-11-1111 Sex: Male

**Summary**

Violence Risk Decile Score: 2 (Low)  
 Recidivism Risk Decile Score: 5 (Medium)  
 FTA/Flight Risk Decile Score: 8 (High)  
 Non-Compliance Risk Decile Score: 9 (High)  
 Recommended Level of Supervision: High

**Validity Checks**

Lie Scale: ---  
 Random Response Score: ---

**Assessor's Recommendation**

What is your assessment of overall risk? Medium Supervising Agent: Sample TCU Drug Screening

What is your decision / recommendation? 01 (Probation) Policy: Yes No Reason:   
 Assessor's Recommended Supervision Level: 07 (Interim Supervision) Policy: Yes No Reason:   
 Comment:

Legal Status: Sentenced Custody Status: Community (Out of custody) Screener Name: Tal (Tantis, Nick)

**Assessments** **Mental Health**

**Assessment History**

Perform New Risk Assessment  
 Modify Current Risk Assessment  
 View Existing Risk Assessment  
 View Existing Report  
 Outcomes (Complete for case# #59)

Assessments (3 total. The most recent is shown first.)					
Date	Comment	Type	Scale Set	Case#	
12/06/2005		New	All, with Screener Judgment	#59	
08/20/2004		Modify	All, with Screener Judgment	#59	
11/01/2002		New	All, without Screener Judgment	#59	

The user can click the "Modify" button on the bottom left to add additional scales to a previous assessment or click the "View Existing Risk Assessment" button to go into the desired assessment to make edits to previously entered data. Then the assessment can be re-computed.

- Include the capability be able to calculate the severity of the individual offender's criminogenic factors and needs based on individual offender and needs inputs.  
 As shown on page 16 and in the Appendices, the COMPAS software currently provides for the automatic scoring of 18 offender Criminogenic and Needs scales including:

- History of Non-Compliance
- Leisure/Boredom

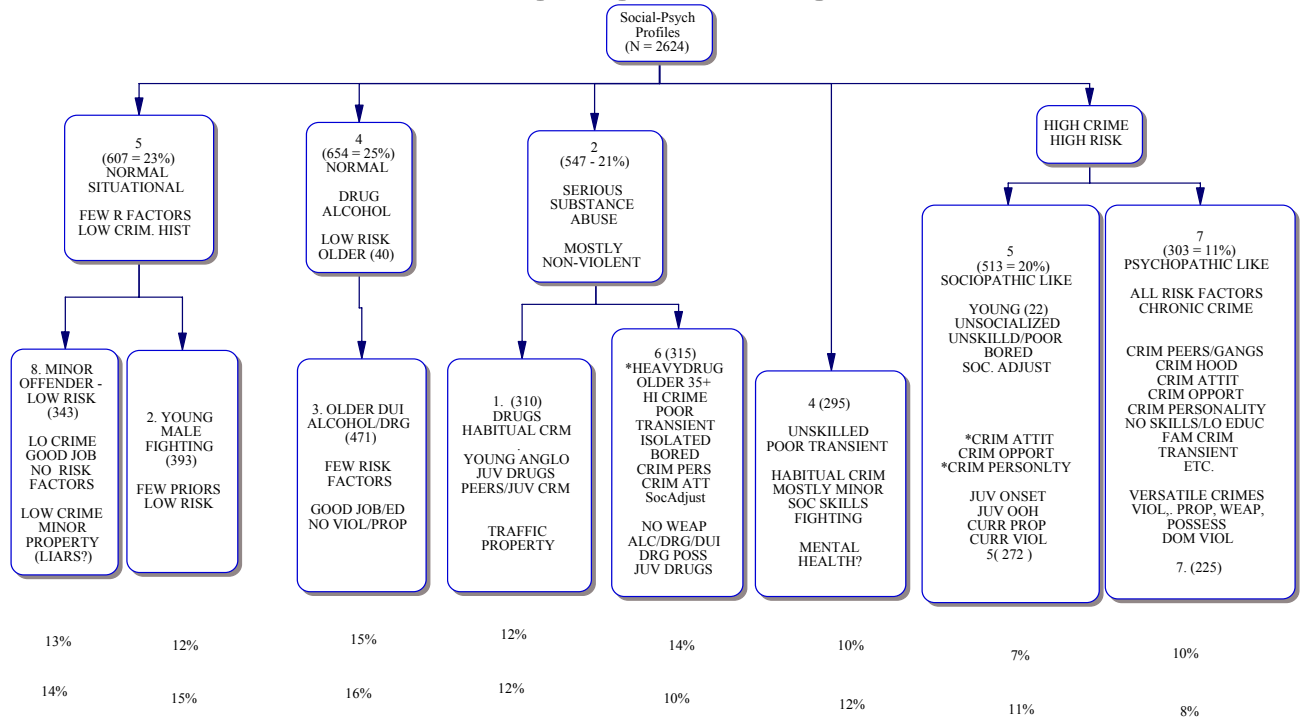
- History of Violence
- Current violence
- Criminal Associates
- Substance Abuse
- Financial Problems
- Vocational/Educational Resources
- Family Criminality
- Social Environment
- Residential Instability
- Social Adjustment Problems
- Socialization Failure
- Criminal Opportunity
- Criminal Personality
- Criminal Thinking
- Social Isolation

- Provide a graphical representation and a facility to print a report to display the offender's risk potential, strengths, and criminogenic needs ratings. Provide an interface that prioritizes the offender's criminogenic needs that forms the basis of case management plans.

An example of a COMPAS Risk and Needs Assessment Report is shown on page 16. A second COMPAS report assigns an offender to one of 8 currently identified "offender groups" (typology) thru Northpointe's extensive research. As proposed in this RFP Northpointe will conduct similar analysis on the Michigan prison/parole population to determine the extent to which these nationally developed offender types are present in Michigan's offender population. If differences or new groups are found they will be incorporated into the MPRI COMPAS software. The chart below shows these 8 offender groups at the bottom. AS an example, the percentage numbers at the bottom of the chart represent the number of offenders falling into each group in Wyoming DOC as compared to the national average.



# MAJOR ADULT OFFENDER PROTOTYPES



A sample of one of the offender “Category Type Assignment” descriptions produced in COMPAS is shown below.

## Category 5: Criminally Versatile Sociopaths - Young, Bored and Marginalized (Homeboys)

“This is one of the youngest offender patterns (22-23). It has a mixed ethnicity. The risk factors reflect serious social marginalization, weak social bonds, criminal personality, criminal attitudes and high criminal opportunity.

Social marginalization is shown by educational and vocational failure. Most of these offenders are unskilled, uneducated and jobless. They are poor, bored and make little constructive use of leisure time. These weak social bonds and boredom may lead to a high criminal opportunity lifestyle as well as relatively high social isolation (weak social supports). A second theme consists of anti-social attitudes and anti-social personality. These are consistent with a high risk lifestyle and versatile criminal history. Neighborhood and peer associations are about average for this population.

This category has a young age at first arrest (average 16), as well as more juvenile felonies and “out-of-home” placements. These underscore relatively high parental crime and suggest inadequate socialization. Surprisingly, this category has a low average score for substance abuse - which fits with their low use of alcohol or drugs and of drug possession at the current arrest. This low drug use and their young age may explain their relatively “light” criminal history i.e. their scores for arrests and prior convictions are about average for this population. Yet, an examination of their criminal profile suggests a serious and versatile crime pattern, which includes the following: high current violence, relatively high prior weapons arrests, current sex offence; and the highest score for current property charges. “

The COMPAS software also provides a seamless interface between the risk needs report and the built in Case/Transition Plan module. As shown below the software automatically loads the risk and needs summary, computes and inventories any client strengths and then provides a template to “build” the plan by clicking on any of the needs to be addressed then clicking on one or more goals and tasks (user configurable) to address the need. Referral/enrollment and termination dates for each task can be tracked along with the service provider and termination code. See [Appendix](#) for additional information.

**Case Planning**  
Offender #: 121989 Name: Jones, Robert Case #: #59 Current Mode: Edit Existing Plan

Goals and Plan Sanctions Comments

**ASSESSED NEEDS INVENTORY**  
Please click on one of the dark-green needs labels below to enter goals and tasks for that particular need.  
Other / General  
Highly Probable In-depth Substance Abuse Assessment  
Highly Probable Financial Problems  
Highly Probable Cognitive Behavioral/Psychological Treatment Needs  
Highly Probable Unstructured Idle Time  
Highly Probable Social Isolation/Minimal Social Supports  
Probable Criminal Associates and Peer Problem

**RISK INVENTORY**  
Low Violence Low Recidivism  
Medium FTA Medium Non-Compliance

**CLIENT STRENGTHS**  
Age 30 or Greater  
Residential Stability  
Full Time Employment/School Past 12 Months  
High School Grad  
Currently Employed  
Current Skill or Trade

**Primary Treatment Goals - In-depth Substance Abuse Assessment**  
Decrease Substance Abuse and Increase Positive Coping Skills

**Tasks to Achieve Goal (You should have goals entered in order to enter tasks)**

Task	Provider	Referral Date	Completion Date	Completion Code
Assess Level of Substance Dependency	ATS	08/13/2004	08/15/2004	Successful
Enroll in Outpatient Program	Monroe Center	08/18/2004	11/15/2004	Successful
Enroll In, Develop Relapse Prevention Plan	Monroe Center			

List of Plans: [Dropdown] Date and Type: 09/16/2004 New [Print Preview] [Close]

- Include the functionality to save risk, needs and strength assessment inputs and outputs based on the date the assessment completion date.

Each offender is entered into the COMPAS software under a master (SID) identification number. Searches can be performed on the database to determine if the offender is already in the database and if so – add an assessment to the case record. This is shown in the screen below. The assessment history is shown in the Assessment History grid in the lower right side of the screen. To view or print any of the assessments in the history simply click on the desired assessment and click the appropriate View or Print button.

COMPAS 4 Jackson, Franklin Site: Northpointe Cor

File Tools Reports Summary! Help

Open Case Personal Notes Case Planning Pre-Screener

### COMPAS Case Summary

Print

**Personal Data**

Offender #: 4442 DOB: 10/22/1978 Ethnic/Race: W (White) SID#:  
 SSN: (None entered) Sex: Male

**Summary**

Violence Risk Decile Score: 8 (High)  
 Recidivism Risk Decile Score: 9 (High)  
 FTA/Flight Risk Decile Score: N/A  
 Non-Compliance Risk Decile Score: N/A  
 Recommended Level of Supervision: High

**Validity Checks**

Lie Scale: ---  
 Random Response Score: ---

**Assessor's Recommendation**

What is your assessment of overall risk? High Supervising Agent: TCU Drug Screening

What is your decision / recommendation? Enroll in MRT Program Policy Override: Yes No Reason:

Assessor's Recommended Supervision Level: Policy Override: Yes No Reason:

Comment: Inmate would greatly benefit from the Cognitive program.

Legal Status: Sentenced Custody Status: Community (Out of custody) Screener Name: Miller

**Assessments**

**Assessment History**

Perform New Risk Assessment View Existing Risk Assessment  
 Modify Current Risk Assessment View Existing Report  
 Outcomes (Incomplete for case# 02-000112)

Assessments (3 total. The most recent is shown first.)					
Date	Comment	Type	Scale Set	Case#	
02/16/2005		New	All, with Screener Judgment	65	
08/14/2001		New	Cognition Scale Set	02-00011	
06/19/2001		New	All, with Screener Judgment	02-00011	

- Provide a facility to create a case plan that documents specific, time sensitive objectives that address assessed criminogenic factors and needs.

This is shown on the previous page. Additional events and outcomes are recorded in the COMPAS "Outcomes Tracking Module" one screen of which is shown below (Web COMPAS version shown).

CAMW ReEntry Outcomes

My CAMW Client Search Tools My Account Help Welcome back Joe Sample [Logout]

**Task and Services Tracking**

Task/Service: Enroll in Cognitive Therapy Program

Start Date: 11/18/2005 End Date: 11/30/2005

Service Provider: Global SP for Test Termination: Incomplete

Hours per Day: 4 Total Days: 2

Save Cancel

**Outcomes Navigation**

- Community Placement
- Task & Services
- Termination / Revocation
- Print Version
- Empty Outcomes Form

Task/Service	Start Date	End Date	Termination	Hrs	Dys
<a href="#">Enroll in Anger Management Program</a>	11/23/2005	11/30/2005	Refused to Participate	8	1
<a href="#">Enroll in Cognitive Therapy Program</a>	11/18/2005	11/30/2005	Incomplete	4	2

< Back Next > Cancel

Done Local intranet

- Include the capacity to document means by which case management objectives will be achieved

See the previous case planning screens and specifically referenced in selected tasks to achieve each goal. As briefly mentioned previously, COMPAS provides for the system configuration of all goals and related tasks associated with each need. This can be configured at both the system level and the individual agency level. Service providers can also be configured and attached to specific tasks/services they provide in a specific geographic area.

- Include a facility to document progress in achievement of case management objectives

See screens and narrative above. In addition, two other “Outcomes Tracking” screens are shown on the following page to track other case management events to facilitate further research and analysis thru to termination from parole.

The screenshot displays the CAMW ReEntry web application interface. The browser window shows the address bar with the URL and a navigation toolbar. The application header includes a menu with 'My CAMW', 'Client Search', 'Tools', 'My Account', and 'Help', along with a user greeting 'Welcome back Joe Sample' and a 'Logout' link. The main content area is titled 'Community Placement' and contains several form fields: 'Community Placement Approved' with radio buttons for 'Yes' (selected) and 'No'; 'Community Placement Date' with a date picker set to 6/16/2005; 'Probation/Parole Term Start Date' with a date picker set to 11/22/2005; 'Supervising Agent' and 'Community Placement Type' dropdown menus; 'Court' and 'Presiding Judge' dropdown menus; 'Most serious charge/offense of conviction (as a statutory code)' with a text input field containing 'Weapons, W-990-IU'; and a question 'Was the offender incarcerated or detained (in jail/prison/detention center) at any time during this community placement?' with radio buttons for 'Yes' (selected), 'No', and 'Unknown'. Below these fields is a table with columns 'Admission Date', 'Release Date', and 'Location', containing one row with values '1/2/2005', '11/8/2005', and 'County Facility'. At the bottom of the form are buttons for '< Back', 'Save', 'Next >', and 'Cancel'. A right-hand sidebar titled 'Outcomes Navigation' contains links for 'Community Placement', 'Task & Services', 'Termination / Revocation', 'Print Version', and 'Empty Outcomes Form'. The browser's status bar at the bottom indicates 'Local intranet'.

**New Offenses & Termination/Revocation**

**Interim or Termination Failure Reasons**

Failure Reason	Occurrence	Notes
New Offense	12/5/2005	Notes
<input type="text"/>	<input type="text"/>	<input type="text"/>

**New Offense**

Offense Type	Offense Date	Most Serious	Violent
Misdemeanor	3/3/2004	Person	•
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>

Was the offender's probation or parole revoked and restored during this episode? ☐ Yes ☒ No

Was the offender gainfully employed at the time of termination/revocation? ☒ Yes ☐ No ☐ N/A ☐ Don't Know

Was the offender a full time student at the time of termination/revocation? ☒ Yes ☐ No ☐ N/A ☐ Don't Know

Did the offender have a stable residence at the time of termination/revocation? ☒ Yes ☐ No ☐ Don't Know

If mentally ill, was the offender regularly taking their prescribed medication at the time of termination/revocation? ☒ Yes ☐ No ☐ Don't Know ☐ Not Mentally Ill

Was this community placement successful (as defined by your program/agency)? ☒ Yes ☐ No

Final Case Termination Date:

**Outcomes Navigation**

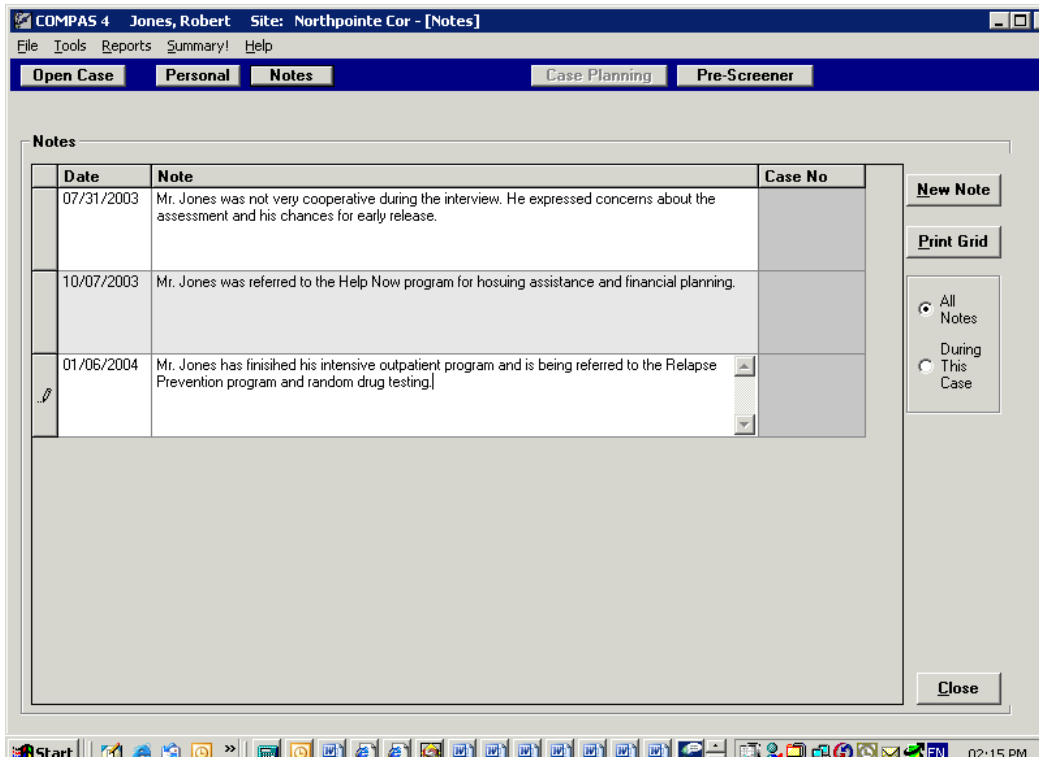
- Community Placement
- Task & Services
- Termination / Revocation
- Print Version
- Empty Outcomes Form

Local intranet

Much of this data for the COMPAS outcomes tracking may come from the interface with the OMNI system. This data is designed to support the outcomes validation studies at 12 and 24 months and to assist in identifying which treatment responses work with which offender risk/need profiles.

- Include the capacity to retire case management objectives and quantify the quality of completion of case management objectives

See the above case planning screens and discussion. In addition, the user can access the COMPAS case notes for narrative status summaries as shown below.



- Include a capacity to document resources required to complete case management objectives and methods

See the above discussions of the COMPAS case plan.

- Include functionality to create subsequent case management plans that include the capacity to inherit unsatisfied case management objectives from previous plans.

The COMPAS Case Planning module allows the user to Create a new case plan, Edit (correct/update) an existing case plan, Modify (add additional needs, goals and tasks) to an existing case plan or close and create a new case plan. The function buttons for this are shown below.

**Case Planning**

Offender #: **121989** Name: **Jones, Robert** Case #: **#59** Current Mode: View Only

Goals and Plan Sanctions Comments

**ASSESSED NEEDS INVENTORY**  
 Please click on one of the dark-green needs labels below to enter goals and tasks for that particular need.

Other / General

Highly Probable In-depth Substance Abuse Assessment  
 Highly Probable Financial Problems  
 Highly Probable Cognitive Behavioral/Psychological Treatment Needs  
 Highly Probable Unstructured Idle Time  
 Highly Probable Social Isolation/Minimal Social Supports  
 Probable Criminal Associates and Peer Problem

**RISK INVENTORY**

Low Violence Low Recidivism  
 Medium FTA Medium Non-Compliance

**CLIENT STRENGTHS**

Age 30 or Greater  
 Residential Stability  
 Full Time Employment/School Past 12 Months  
 High School Grad  
 Currently Employed  
 Current Skill or Trade

Intervention Goals

\* [Text Box]

Modify  
 New  
 Edit

Tasks to Achieve Goal [You should have goals entered in order to enter tasks]

Task	Provider	Referral Date	Completion Date	Completion Code
[Empty Table Body]				

List of Plans [Dropdown] Date and Type: 09/16/2004 New

Print Preview Close

- Include the capacity to store a unique database identifier and Michigan Department of Corrections offender number to enable data integration with the Offender Management Network Information (OMNI) system.

COMPAS utilizes master offender identifiers i.e. the Michigan SID number, to create one master COMPAS record in which the offender's entire assessment history is stored and accessed. See the screen on the following page.

COMPAS 4 Jones, Robert Site: Northpointe Cor - [Open/Create COMPAS Case]

File Tools Reports Summary! Help

Open Case Personal Notes Case Planning Pre-Screener

### Person Search Criteria:

Enter search criteria and click the SEARCH button to find offenders meeting your search criteria.

Client Population:

- ☒ All Clients
- ☐ Active
- ☐ Inactive
- ☐ No case activity
- ☐ Any case activity

Offender #:  SID#  Sex:  Ethnic/Race:  SSN:  Site:  (Leave blank to search for all regardless of site) Has case plan goals?

Last Name:  Sounds Like ☐ First Name:  Sounds Like ☐ Middle Name:  Suffix:

**\* Data required for creation of a person record**

Offender #	Total Cases, Screenings	Name	SSN	DOB	Sex	Ethnic	Screener(s)

If you are creating a new person record, you should fill in the fields and then search (to make sure that the offender is not already in the system) before you can click on the 'Create New Record' button.

- Modify field labels as needed to capture customary terms used within the MDOC.

As shown in the screen above, we changed the offender identifying number to SID to address the specific identifier term for Michigan. Other similar fields may be easily changed as appropriate.

- Include the capacity to adjust variable weights and computation algorithms based on results of local norming studies.

Northpointe provides custom validation and scale norming to our COMPAS users. We have performed local validation studies on over 20 COMPAS user agencies. After the initial Michigan pilot study and validation report is completed a comparison of Michigan's norms to the established national norms will be provided. If there is statistically significant differences in any scale distributions those cutting points will be programmed into the COMPAS scale algorithms by Northpointe technical staff.



**Testing & Norming** - Test reliability, norming and validity of the instrument as applied to the Michigan prisoner population.

*Data Analysis of the Michigan Parole Sample for Validation, Reliability and Typology Construction*

This task involves the statistical analysis of the Initial test data to address several key tasks. These include:

**Scale Reliability Assessment:**

*Conventional psychometric methods to assess reliability coefficients for all scales e.g. Item Analysis and Cronbach's alpha computations*

**Factorial Validity of all Scales**

*Each scale will be factor analyzed to assess whether the scale psychometric structures are consistent with theoretical expectations.*

**Concurrent Validation of Scales Using "Known-Groups" Comparisons**

*Selected group comparisons will be conducted (e.g. chronic recidivists vs. first time offenders, serious violent vs. non-violent, etc.) to assess whether expected differences between these groups actually occur. This is often used to establish concurrent validity of scales. Methods such as ANOVA, MANOVA or Discriminant Function Analysis are typically used.*

**Concurrent Validity Testing of Risk Factors**

*Correlation and regression models such as OLS multiple regression and logistic regressions will be used to link risk factors to critical outcomes, and also to assess the predictive power of various risk factors. These will be evaluated using conventional coefficients such as AUC, RIOC, and Multiple Correlation, and so on. Brennan (1993) has published a more detailed review of statistical methods to validate risk assessment techniques in criminal justice.*

**Typological Structure of the Michigan Offender Population**

*We will use pattern recognition and cluster analyses as an alternative to regression methods to generate typological classifications of offenders. Both K-Means clustering, inductive tree methods, and k-nearest neighbor classifications will be used (Hand 1997). These have all been used successfully in other applications of COMPAS to create multivariate offender typologies.*

**Inter-Rater Reliability**

To date our tests of the reliability of the COMPAS scales have been restricted to internal consistency reliability. The internal consistency of each scale as measured by Cronbach's alpha is reported in the document *The COMPAS scales: Normative Data for Males and Females in Community and Incarcerated Samples* (see Appendix 5). We have not conducted tests of the inter-rater reliability primarily due to the form of the COMPAS instrument. Those sections of the instrument that are completed by the interviewer do not consist of the kind of subjective judgments or ratings that are typically compared across different interviewers to establish inter-rater reliability. With few exceptions, the items completed by the interviewer deal with criminal history and current

offense records. However, we would be open to testing how reliably interviewers interpret and score these fields.

*Make Software Refinements as Necessary:*

This will use Initial test findings and staff suggestions (both process and quantitative) to make any needed refinements so that COMPAS has a good "fit" with MDOC agency policies, resources and staff preferences.

**Implementation to Pilot Sites** – The vendor must set up a system database, configuration and client access with the assistance of the Michigan Department of Information Technology (MDIT) at the following locations during the first phase of the project:

- **Robert Scott Correctional Facility**
- **Charles Egler – Reception Guidance Center**
- **Cooper Street Correctional Facility**
- **Huron Valley Women's Correctional Facility.**

Northpointe will work with MDOC MPRI project staff to deploy the COMPAS software for use by these initial agencies. It is anticipated, although left for negotiations, that this would occur after the pilot study, software modification/customization as determined appropriate during early strategic planning meetings, and completion of the validation study.

**Training** – Provide on-site, instructor led training to approximately 100 MDOC staff assigned to Robert Scott Correctional Facility, Charles Egler – Reception Guidance Center, Cooper Street Correctional Facility, Huron Valley Women's Correctional Facility and Central Office. Training must occur concurrently with phase I pilot installations and be completed within 90 days of installation.

COMPAS has been designed to be easy to use and easy to train to. We offer multiple test administration styles and data entry procedures. COMPAS does not require semi-structured interviewing. COMPAS has been designed to match the skills level of case management staff. All Software Manuals and User Guides are provided on-line in the software for easy reference.

COMPAS is fully Windows compliant thus any user having experience with windows/mouse navigation will find COMPAS easy to navigate. Training tends to focus on the interpretation of the COMPAS assessment and integrating the interpretation into a management/case plan decision. COMPAS training typically consists of two days with ½ of a day set aside for hands-on computer training. A typically training outline is shown below.

## COMPAS General Training Outline

1. Introductory Comments
  - Reasons and Rationale for this Project
  - Expected Benefits
2. Overview of Risk and Needs Assessment and the COMPAS System
  - a. What is Risk and Needs Assessment
  - b. How Risk and Needs Assessment Augments the Human Decision
  - c. Design Criteria for Correctional Risk Assessment
  - d. What is COMPAS?
  - e. Review of COMPAS Scales
  - f. Reviewing the COMPAS Report
  - Cutting Points and Decision Thresholds
3. COMPAS Assessment Administration
  - Official records
  - Self Report
  - Offender Interviewing
4. Brief COMPAS Software Overview
  - Scale Configuration
  - Data Entry
  - Case Planning
  - Mental Health Pre-Screener
  - Reclassification Module
  - Tracking Outcomes
5. Integrating COMPAS into Case Management and the “What Works” Model
  - a. The Disconnect between Assessment and Case Planning
  - b. Organized and Systematic Case Description
  - c. Making Interpretations/Explanations
    - Typical Case Patterns
    - Theoretical Explanations (main explanation of crime)
    - Three Stages Linking Assessment and Treatment
    - Common Errors and Best Practices
  - d. Matching Offenders to Placements/Supervision Levels and Treatments
6. COMPAS Software Training (computer lab)
  - a. Record Search
  - b. Performing New Assessment
  - c. Data Entry
  - d. View Existing Assessments and Reports
  - e. Modifying an Assessment
  - f. Case Planning Module
  - g. Scale Configuration
  - h. Tracking Outcomes
  - i. Reports and Forms
  - j. System Configuration

The training curriculum and presentations will be coordinated with MDOC MPRI staff and modified as determined appropriate to assure they meet the needs of staff at each phase of the project.

**Support** – During Phase I of the project the vendor must provide:

Critical User Support - Experienced technical support with a toll free number, 8X5, with a guaranteed callback response of less than four hours.

Non-Critical User Support – Email support with a guaranteed four-hour acknowledgement of receipt of issue with an appropriate timeframe for resolution.

Northpointe already has an established toll free 800 number and support 8X5. Routinely our response times are within four hours of a call. We also have customer support and technical staff that are available by email 8X5 as well.

## **Phase II – Roll Out**

**Installation** - The vendor must set up client access at 32 additional prison locations and 80 parole field offices during the second phase of the project with the assistance of the Michigan Department of Information Technology (MDIT). MDOC has not yet identified the specific installation sites, but the vendor should assume selection will encompass MDOC sites throughout the lower and upper peninsulas.

Northpointe technical staff and project team members will work with the MDOC Information Technology staff to deploy COMPAS to the remaining prison and parole field sites during Phase II of the project. Depending on the COMPAS solution chosen (web-based or desk top – see the Technical Environment section) this will involve loading the software on the individual desk tops or simply creating new users on the COMPAS MPRI website.

**Training** - The agency would like to use the “train the trainer” approach to training agency staff during this phase of the project. As such, the vendor must provide appropriate additional on-site training to 3 MDOC staff and supply the agency with “student” training materials that can be used by trainers with regard to use of the system.

Northpointe will develop a train-the-trainers manual with support curriculum guides and Powerpoint slides. Northpointe staff will conduct initial training sessions as determined appropriate for the pilot sites and agencies. We would request that the “train-the-trainer” staff attend these training sessions conducted by Northpointe staff. In addition, Northpointe staff will train Michigan DOC trainers to the COMPAS training curriculum to facilitate agency self sufficiency in this area over Phase II of the project. Northpointe training staff will meld the MDOC trainers into the early training sessions during Phase II. Northpointe training staff will then cease to provide the training when MDOC training staff feel competent to solo.

**Support and Maintenance** The vendor must continue to provide:

Critical User Support - Experienced technical support with a toll free number, 8X5, with a guaranteed callback response of less than four hours.

Non-Critical User Support – Email support with a guaranteed four-hour acknowledgement of receipt of issue with an appropriate timeframe for resolution.

Northpointe already has an established toll free 800 number and support 8X5. Routinely our response times are within four hours of a call. We also have customer support and technical staff that are available by email 8X5 as well. Software maintenance support will be extended to additional users and agencies as they come on line during Phase II.

**Integration with the Offender Management Network Information (OMNI) System** – During this phase of the project, the vendor must provide technical assistance as needed to assist the agency in defining, designing and developing a plan to integrate the assessment instrument into the OMNI system.

Northpointe has extensive experience in system interfaces to Northpointe software products. We are, for example, currently developing an interface between COMPAS and California DOC's PATS parole case management software.

Northpointe is familiar with the OMNI system. We have already interfaced our CCAMIS Case Management System to OMNI. This interface imports OMNI felony disposition and probation data into CCAMIS for OCC reporting and custom reports and statistics. Northpointe technical staff will work with MDOC IT staff to design and develop an interface between COMPAS and OMNI. We anticipate that selected data will flow both ways in this interface i.e. passing risk and needs summary data to OMNI and current offense, criminal history and case outcomes data passing from OMNI to COMPAS, etc.

**Customization** - Develop capability of instrument for providing updated assessments of dynamic factors based on offender behavior, program participation and completion, etc. Customize the instrument specifically for re-screening of offenders, if necessary.

Develop scoring algorithms for risk, needs and strengths, incorporating demonstrated, quantified impact of programs, treatments, and/or interventions. Work with the Department and other researchers to obtain impact measures that can be incorporated into the risk, needs and strengths assessment.

Revise instrument based on result of original testing as identified in phase I. Develop instrument variants suitable for re-screening at specified stages of correctional process, as appropriate.

### **Phase III – Future Enhancements/Customization**

**Customization** - Develop capability of instrument for providing updated assessments of dynamic factors based on offender behavior, program participation and completion, etc. Customize the instrument specifically for re-screening of offenders, if necessary.

COMPAS includes both static and dynamic items in the scales and allows for re-assessment over time to measure change in risk and need scales. The user can easily overlay a previous assessment on top on the most current for visual comparison.

Develop scoring algorithms for risk, needs and strengths, incorporating demonstrated, quantified impact of programs, treatments, and/or interventions. Work with the Department and other researchers to obtain impact measures that can be incorporated into the risk, needs and strengths assessment.

A feature unique to COMPAS is an “Outcomes” module designed to track and record the offender’s placement in the community (see pages 31 and 32 screen shots). An offender/parolee’s success or failure may often be associated, in part, with how the criminal justice system and/or the treatment community managed the offender rather than solely by the risk of failure the offender presents himself. This issue falls generally into two areas: 1) providing appropriate levels of supervision and accountability to effectively match the offender’s risk; and 2) matching appropriate types of treatment to the offender’s criminogenic needs. Failing to provide either may adversely impact on the offender’s “risk” for successful placement in the community. To address this dynamic COMPAS provides for the tracking of community placement, program referrals, levels/types of supervision contact and termination from the community/parole sanction. By tracking and incorporating these offender specific outcomes data into the risk assessment COMPAS, through scale re-calibration, can more accurately assess the offender’s true risk of successfully completing their community placement as the database grows.

Working with MDOC research staff, we propose to use the case planning, outcomes and risk/needs data to explore and develop an algorithm in COMPAS that may “recommend” appropriate treatment and supervision responses which best match a particular offender’s “typology assignment” and/or risk needs profile.

Revise instrument based on result of original testing as identified in phase I. Develop instrument variants suitable for re-screening at specified stages of correctional process, as appropriate.

Please reference previous discussions in this document concerning this issue. We believe CORE COMPAS and COMPAS RE-ENTRY and its current provision of this feature is a unique solution for the MPRI project. However, we will continue to collaborate with MPRI project staff throughout the term of the project to review and enhance the re-assessment/screening process in COMPAS.

**Support and Maintenance** - The vendor must continue to provide:

Critical User Support - Experienced technical support with a toll free number, 8X5, with a guaranteed callback response of less than four hours.

Non-Critical User Support – Email support with a guaranteed four-hour acknowledgement of receipt of issue with an appropriate timeframe for resolution.

The vendor should also expect to assist the agency in developing a methodology to conduct ongoing studies of assessment instrument performance, including continuing measures of reliability and validity during this phase of the project.

As previously discussed in this proposal Northpointe has and will continue to maintain 8X5 critical and non-critical user support throughout the term of the project. Regarding on-going studies of instrument performance, reliability and validity Northpointe research and technical staff are currently exploring ways to “imbed” various statistical procedures and reporting capacities within COMPAS to produce some of these studies and reports by the research end users. Northpointe research and technical staff will be happy to share these developments with MDOC and invite their input and collaboration.

## **Phase IV**

Support and Maintenance – This phase of the project would consist of a maintenance agreement with the agency to provide technical assistance for the database and application for a period not to exceed two years following the projects completion. During this phase of the project, the vendor should expect to provide:

Critical User Support - Experienced technical support with a toll free number, 8X5, with a guaranteed callback response of less than four hours.

Non-Critical User Support – Email support with a guaranteed four-hour acknowledgement of receipt of issue with an appropriate timeframe for resolution.

Please reference previous support and maintenance responses.

### **1.102 OUT OF SCOPE**

Actual integration of risk instrument into OMNI (MDIT/MDOC).

Conduct evaluation studies to determine impact of MDOC and other programs and treatments on recidivism and risk.

Application of risk, needs and strengths instrument outcomes to related MDOC functions, e.g. Parole Guidelines.

Development of Case Management Plans and Transition Accountability Plans based on risk and needs assessment outcomes.

As previously stated, Northpointe research staff will work with MDOC staff to assist in facilitating these interfaces and studies. We understand that some of this work is out-of-scope with the current project proposal and may be negotiated under separate agreement.

### **1.103 TECHNICAL ENVIRONMENT**

#### **Hardware/Network Environment**

- Wide Area Network (WAN) Environment
- File and Print Servers have Novell Operating System
- Desktops have a mixture of Windows NT and XP Operating Systems
- MDOC has a managed desktop – applications are packaged and pushed to the desktops via Novel Zen software Offender Management

#### **Network Information (OMNI) System**

- Database is Sybase 12.5 residing on a Sun Solaris Unix box
- OMNI application is developed in PowerBuilder 9.0

Northpointe has developed both desktop and web versions of COMPAS. While MDOC may choose the solution that best fits their needs – we recommend the consideration of the Web based COMPAS. If internet or intranet access is a concern in the prisons we would propose an integrated combination of the Desk Top and Web COMPAS. We will discuss these COMPAS options, technical architectures and advantages and disadvantages of these systems with the project team and MDOC IT personnel.

### **The Web COMPAS Solution**

#### **Advantages of going web based**

- Lower IT/Helpdesk costs of time spent installing, upgrading and supporting software on individual client machines.
- Internet Explorer 5.5 is only software required on client machine. Windows XP comes with Internet Explorer 6.0
- Upgrades are done on Server not the client. Nothing needs to be installed onto the client machine.
- Don't need to worry about going to an office that does not have the latest Web COMPAS product installed. As long as the workstation has IE and access to server, they will have access to the system.



## **Quality Assurance Plan for Web COMPAS**

Achieving QA goals with the Web based product is just a matter of setting up security groups, users, and sites (agencies) and exposing those users to the application. Users must have access to the application via WAN/LAN and meet minimum browser requirements.

It is recommended that users access the system with different connection speeds to determine what is acceptable. We recommend QA is done on the T1 lines and 56K lines. If applicable, we also recommend that users outside the network connect remotely (VPN) to the application.

### **Recommended Server Software Requirements**

- Microsoft Windows 2000 Server
- Microsoft SQL Server 2000
- Microsoft .Net Framework 1.1
- Microsoft Internet Information Server 5.1 (IIS)

### **Recommended Server Software Requirements**

- Microsoft Windows 2000 Server
- Microsoft SQL Server 2000

### **Recommended Server Hardware Requirements**

- 3.6GHz/2MB Cache, Xeon, 800MHzFront Side Bus for PowerEdge 2850
- 3.6GHz/2MB Cache, Xeon, 800MHzFront Side Bus, 2nd processor for PowerEdge 2850
- 2GB DDR2 400MHz (4X512MB) Single Ranked DIMMs
- 73GB,U320,SCSI,1IN 10K,PE2850
- Embedded RAID - PERC4 Embedded Integrated
- 1x6 Hard Drive Backplane PE2850
- Bezel for PE2850
- 73GB,U320,SCSI,1IN 10K,PE2850
- MR5, ROMB RAID 5, Drives attached to PERC4ei,PE2850
- Redundant Power Supply With Y-CORD and Straight Cords PE2850
- 73GB,U320,SCSI,1IN 10K,PE2850

### **Workstation Software Requirements**

- Internet Explorer 5.5 or greater

### **Workstation Hardware Requirements**

- Based on the RFP, MDOC meets the minimum hardware requirements.

### **Recommended Application Architecture for Maximum Number of Users**

The number of total application users is recommended, but not limited, to 20,000.

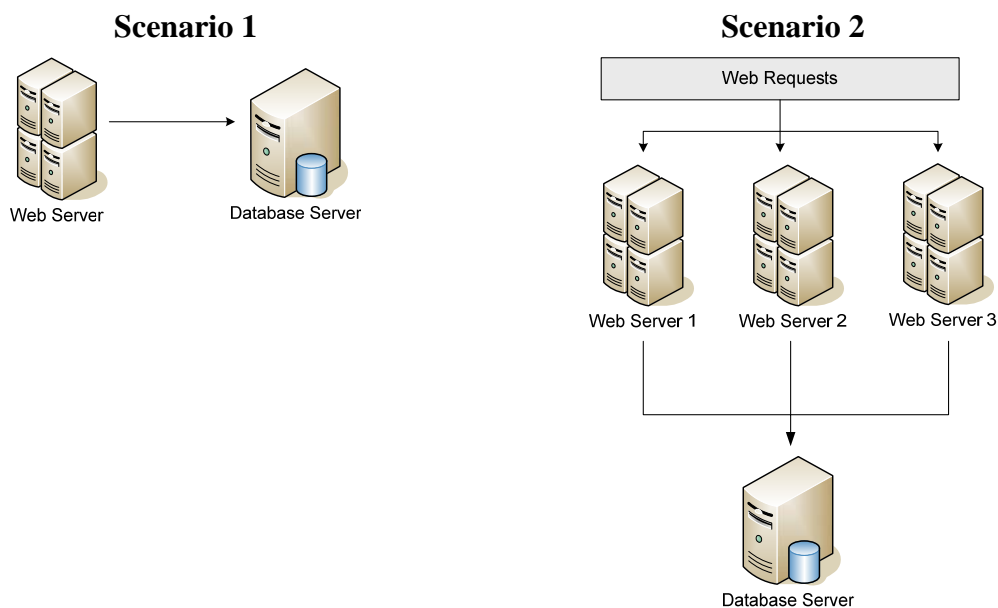
SQL Server 2000 supports 32,767 connections per instance.

Our load testing concluded that the Web COMPAS web application performance was excellent until reaching 200 concurrent users in a single web server environment. The single web server infrastructure in Scenario #1 limited the number of requests per second (RPS) to approximately 75. When running the load test at 200 concurrent users the average request per second reached 94. Because the web server was unable to handle the number of requests per second the results to the user was a “Server to Busy” error. This error was generated about 20% of the time.

Depending on server architecture (number of CPU’s and CPU power) a typical web server will reach capacity between 50 and 100 requests per second.

*Note: Our loading testing procedure does not include using sleep times in-between transactions. See “**IT Resources**” section for details.*

Scenario #2 shows an example of a recommended web farm configuration. For 2,000 concurrent users (on the system at a give point of time), we recommend 2 to 4 web servers and 1 to 2 Database servers.



## Application Customization

Northpointe welcomes working with MDIT staff and other 3<sup>rd</sup> party vendors to make customizations and/or interfaces to Web COMPAS. We will sit down with the parties at hand to determine requirements, consider application implications, and create a development strategy the make the necessary changes.

## Network Connection Speeds

Just as in any web application, the slower the connection speed the slower the application will seem. However the Web COMPAS product takes advantage of new technologies to reduce load times no matter what the connection speed is.

# **The Desktop COMPAS Solution**

## **Advantage of using the desktop client**

- Easier to set up as a stand-alone installation of COMPAS in situations where no network connection is available.

## **Quality Assurance Plan for Desktop COMPAS**

Achieving QA goals with the desktop based product is a matter of installing the client software on the individual workstations, and then setting up security groups, users, and sites (agencies) and exposing those users to the application.

## **Recommended Server Software Requirements**

- Microsoft Windows 2000 Server
- Microsoft SQL Server 2000

## **Recommended Server Hardware Requirements**

- 3.6GHz/2MB Cache, Xeon, 800MHz Front Side Bus for PowerEdge 2850
- 3.6GHz/2MB Cache, Xeon, 800MHz Front Side Bus, 2nd processor for PowerEdge 2850
- 2GB DDR2 400MHz (4X512MB) Single Ranked DIMMs
- 73GB, U320, SCSI, 1IN 10K, PE2850
- Embedded RAID - PERC4 Embedded Integrated
- 1x6 Hard Drive Backplane PE2850
- Bezel for PE2850
- 73GB, U320, SCSI, 1IN 10K, PE2850  
MR5, ROMB RAID 5, Drives attached to PERC4ei, PE2850
- Redundant Power Supply With Y-CORD and Straight Cords PE2850
- 73GB, U320, SCSI, 1IN 10K, PE2850

## **Workstation Software Requirements**

- The workstations' operating system should be Windows 98, 2000, XP or Windows NT.
- No software needed other than what installed with Desktop COMPAS installation package (which includes MDAC and other necessary driver files)

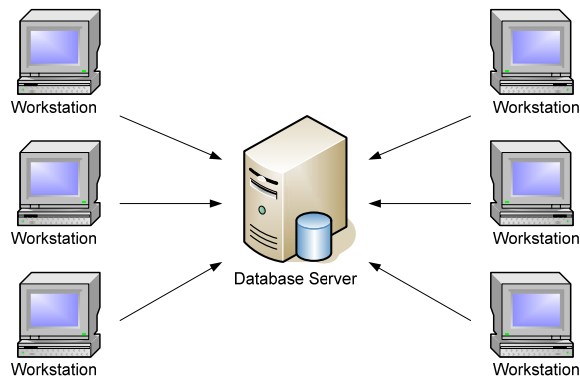
## **Workstation Hardware Requirements**

- Pentium III
- 128 MB RAM
- 40 GB Disk

- High-speed network card
- VGA Color Monitor
- mouse & keyboard

### **Recommended Application Architecture for Maximum Number of Users**

Number of concurrent users is directly dependent on the hardware capabilities of the database server. SQL Server 2000 supports 32,767 connections per instance.



### **Application Customization**

Northpointe welcomes working with MDIT staff and other 3<sup>rd</sup> party vendors to make customizations and/or interfaces to Web COMPAS. We will sit down with the parties at hand to determine requirements, consider application implications, and create a development strategy to make the necessary changes.

### **Network Connection Speeds**

Just as in any web application, the slower the connection speed the slower the application will seem. However the Web COMPAS product takes advantage of new technologies to reduce load times no matter what the connection speed is. When connecting to the application remotely (VPN) there may be significant performance issues depending on connection speeds.

### **Following is a list of technical requirements the system must meet:**

- The system must be capable of performing Data Integrity as part of normal maintenance and after restoration of data files.

COMPAS uses the combination of foreign keys, constraints and indexes to ensure data integrity.

- The system must allow on-site administrator access for configuration of the system.

COMPAS users with the proper security credentials can access and configure the application at anytime.

- The system must allow the administrator to support the system remotely via VPN access.

## **Web COMPAS**

Remote access is not an issue as long as the user can get to the Web COMPAS application they can access all configuration items. VPN can be used to access the network where the Web COMPAS application resides.

## **Desktop COMPAS**

Through VPN, a remote user can access any workstation desktop that contains the COMPAS application.

- Critical User Support - Experienced technical support with a toll free number, 8X5, with a guaranteed callback response of less than four hours.

Northpointe will provide on-going routine maintenance and site support to the COMPAS application. Bugs will be address within 48 hours of being identified. User feedback to Northpointe and key project staff will be available through a bulletin board and an automatic “bug tracker” feature built into the COMPAS application.

- Non-Critical User Support – Email support with a guaranteed four-hour acknowledgement of receipt of issue with an appropriate timeframe for resolution.

Northpointe will provide on-going routine maintenance and site support to the COMPAS application. Bugs will be address within 48 hours of being identified. User feedback to Northpointe and key project staff will be available through a bulletin board and an automatic “bug tracker” feature built into the COMPAS application.

- The system must allow 8X5XNBD user and administrative access and use to meet the requirements set by regulating agencies and/or institutions.

Users will be able to access the COMPAS application 24X7X365.

- All upgrades, releases, and fixes need to be fully tested at the vendor site with a comparable system.

All product upgrades go thru our unit testing and QA process on a comparable system before being released to the production environment.

- The vendor will provide support for upgrades, releases, etc to ensure an operational production environment.  
All product upgrades and fixes are fully tested before being released into the production environment.  
Northpointe will work hand-in-hand with IT to ensure COMPAS is upgraded successfully.
- The vendor must provide the number of releases scheduled per year.

Northpointe schedules 2 product releases a year. Product upgrades are released in the 1<sup>st</sup> quarter and the 3<sup>rd</sup> quarter of each year.

Product upgrades follow the following schedule.

1. Feature requests and application bugs are identified on an ongoing basis.
2. Items are prioritized and placed into the development scheduled.

Bugs and issues causing application performance problems or usability issues will be addressed and fixed immediately.

- The vendor must provide the date of the next major release and provide the cost to configure a major release based on historical data.  
Northpointe schedules 2 product releases a year. Product upgrades are released in the 1<sup>st</sup> quarter and the 3<sup>rd</sup> quarter of each year. Releases dates are announced at the beginning of those 1<sup>st</sup> and 3<sup>rd</sup> quarters.

Costs for customized changes will be determined at the time of the change request.

- All scheduled releases must be delivered to the State within three months of the scheduled release date. Northpointe takes great pride in providing it's customers with software upgrades in or around the announced released dates.
- Service Level Agreement: If the release is not received within three months and 14 calendar days from the scheduled release date, there will be a \$500 penalty imposed in the form of a credit to the maintenance costs.  
Acknowledged
- The system must have the ability to handle "surge capacity" in times of emergency and crisis, without the shutdown of the system and/or limitation of users due to license usage, etc. (temporary addition of licenses, etc to be billed later)  
The applications ability to handle "surge capacity" is dependent on the MDOC IT hosting infrastructure.  
See "**Recommended Application Architecture for Maximum Number of Users**" section for more details. Licensing does not effect Web COMPAS surge capacity, as a site license is provided which covers all use of the software.
- The system must have a means of "journaling" to insure that data is not lost from the time of the last backup to the time the system failure occurred.  
COMPAS takes full advantage of the SQL Server transaction log for disaster recovery in-between full database backups. We recommend the product SQL Log Rescue from red-gate software to assist in disaster recovery. Estimated cost for this product is \$295.
- The system must keep a complete audit trail of all entries and edits within the system. This includes but is not limited to; reports, tests, database items, etc.

COMPAS keeps an audit trail of database transactions by using the SQL Server transaction log. We recommend the product SQL Log Rescue from red-gate software to assist in extracting transaction log data. Estimated cost for this product is \$295.

Alternatively Northpointe can customize COMPAS to write all database transactions to a separate "History" table.

- The system must be fully compliant with HIPPA regulations, standards, requirements,

guidelines and grants, as well as comply with all Federal and State government, laws, regulations, requirements, guidelines and grants.

HIPPA Regulations, standards and guidelines have not been an issue in over 200 current user agencies and Departments of Corrections. If HIPPA confidentiality constraints become an issue with the MPRI project Northpointe will modify COMPAS to be in compliance.

## **Resources**

### **1. Load Balancing Defined**

Load Balancing is defined as distributing processing and communications activity evenly across a computer network so that no single device is overwhelmed. Load balancing is especially important for networks where it's difficult to predict the number of requests that will be issued to a server. Busy Web sites typically employ two or more Web servers in a load balancing scheme. If one server starts to get swamped, requests are forwarded to another server with more capacity. Load balancing can also refer to the communications channels themselves.

### **2. Sleep Times**

Sleep times are used to distribute transaction times during load testing. Typical sleep times can be anywhere from a few milliseconds to 10-15 seconds. See the example below to complete the following transactions with 50 concurrent users.

*Login, Search, Create Offender, Create New Assessment, View Report*

*Average time to complete using sleep times: 5 Minutes*

*Average time to complete using no sleep times: 2.5 Seconds*

### **3. Response Code 503 Defined**

**The service is temporarily overloaded**

503 response codes are a result of reaching the server capacity of processing requests. Depending on server architecture (number of CPU's and CPU power) a typical web server will reach capacity between 50 and 100 requests per second.

## **1.2 Roles and Responsibilities**

### **1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES**

All staff should to be actively employed by the vendor. If there are subcontractors those personnel must also meet the qualifications set below and those set by the vendor. All subcontracting must be acknowledged and conveyed to MDOC and MDIT with documentation that states the subcontracted personnel are qualified, trained and experienced for all work that they will be doing in association with Michigan Department of Corrections (MDOC) . The subcontracting needs to be approved by the MDOC due to the sensitive nature of data. The vendors subcontracted personnel that meet all requirements set forth by MDOC will be

considered as the “vendor’s personnel” and therefore referred to as contractors throughout the rest of this document in order to simplify the document. All contracted staff must act professionally and respect patient confidentiality.

Northpointe plans to use Public Policy Associates as a sub-contractor to assist us in Project coordination. They have worked with Northpointe in a similar capacity on similar projects. Public Policy Associates staff are well know to the MPRI Project principals.

### **The Roles of the Contractor**

- Provide personnel that will work professionally with the users, administrators and MDIT personnel associated with MDOC.
- Provide personnel that have wide ranges of application and computer related knowledge.
- Provide knowledgeable training staff.
- Provide personnel that will document and act on customer suggestions and complaints.
- Provide personnel that will document problems, fixes, resolutions and preventative measures for the future.
- Provide personnel that will trouble shoot problems and provide timely resolutions in order not to cause downtime.

Northpointe acknowledges the above Roles of the Contractor. We have highly experienced and skilled staff with considerable experience in implementing risk and needs assessment and other correctional software in correctional organizations of all sizes.

### **Responsibilities of the Contractor:**

- The Contractor must provide knowledgeable technical support to keep the AORAS application running.
- The Contract must provide Critical User Support - Experienced technical support with a toll free number, 8X5, with a guaranteed callback response of less than four hours.
- The Contractor must provide Non-Critical User Support – Email support with a guaranteed four-hour acknowledgement of receipt of issue with an appropriate timeframe for resolution.
- The Contractor must provide assistance for all upgrades and releases.
- The Contractor must be able to respond to requests to modify the AORAS to meet future needed functionality. A change order will need to be created and sent to MDOC within 2 weeks of the initial request from MDOC for the new functionality.
- The Contractor must supply complete, up-to-date (at the time of initial training) manuals for the AORAS, its components, operations, maintenance, administration and use that are easily referenced, easily used and searchable.



-The Contractor must provide initial user and administrative training for the AORAS, its components, operation, and maintenance for the first 100 MDOC staff trained during Phase I.  
-Contractor must provide the names of any Contractor staff to be involved in this project, including detailed roles and responsibilities and any Subcontractors. If an organizational chart has been prepared, please provide that information as well. Please note any part-time or shared resources. Descriptions of the roles should be functional and not just by title. Contractor must provide a current resume for Contractor's proposed project manager.

-All staff assigned to the project by the Contractor must be subject to a Law Enforcement Information Network (LEIN) check to be cleared to begin work on the project.

The above noted responsibilities of the contractor are noted and agreed to by Northpointe.

## **Key Personnel**

The MDOC and/or MDIT will have the right to approve the assignment and replacement, by the contractor, of all key personnel assigned to the MDOC AORAS project. This includes without limitation, the overall project manager, individuals named or described in a schedule to the contract, and individuals assigned significant managerial responsibilities as mutually agreed upon by the parties. Before assigning any individual to any of these positions, the Contractor will notify MDOC of the proposed assignment, will introduce the individual to the appropriate MDOC representative, and will provide MDOC with a resume and any other information about the individual reasonably requested by MDOC. MDOC reserves the right to interview the individual before granting approval.

In addition, we offer the following:

### **Key Northpointe Project Team Staff**

1. Project Manager: Mr. Wells will have overall responsibility for the project. He will participate in the strategic planning meetings; assist with project implementation and training. He will also serve as the contract coordinator and business manager for the project. He will participate in project planning, progress monitoring, meeting scheduling, software modifications, and conflict resolutions.

2. Scientific Director: Dr. Tim Brennan will be responsible for and oversee all scientific design issues, sampling design and statistical analysis necessary for the norming of COMPAS to the MDOC requirements. He will also oversee all psychometric scaling, reliability testing and scale modifications. He will oversee the outcomes studies proposed for this project. In addition he will be responsible, along with Mr. Wells for developing training curriculums, related materials, and facilitation of the implementation training track.

3. Research Analyst: Dr. Bill Dieterich will develop the pilot project sampling plan and provide general data quality over site throughout Phase I of the project. He will work with the project team to design reporting capacities to meet the evaluation requirements of the system. Dr.

Dieterich will also assist Dr. Brennan in conducting the validation study, initial pilot studies, outcomes studies and statistical analysis of the COMPAS data.

4. Computer Programming and Technical Support: Depending on the COMPAS solution selected, Mr. Dan Hellem and Mr. Chris Miller will be the lead technicians for this project with support from other Northpointe information technology staff. They will be responsible for all COMPAS software modifications, refinements, and data sharing interfaces. This team will also provide training and technical support to the project and to MDOC staff as necessary.

5. Project Coordinator: Mr. Nick Talantis will assist in providing project coordination support to Mr. Wells, agency sites, technical and research staff throughout the project. He will maintain close communications with Northpointe's proposed sub-contractor Public Policy Associates.

6. Associate Trainers: The project may utilize various Northpointe associate trainers to assist Mr. Wells, Dr. Brennan and Northpointe technical staff in the on-going training needs of the project.

### **Replacement of Personnel at MDOC's request**

MDOC and/or MDIT reserves the right to require the contractor to replace contractor employees who the MDOC and/or MDIT judges to be incompetent, careless, unsuitable or otherwise objectionable, or who continued use is deemed contrary to the best interests of the State. Before a written request is issued it will be discussed by authorized representatives of MDOC and/or MDIT and the Contractor. Upon receipt of a written request from an authorized representative of MDOC and/or MDIT, the contractor will be required to proceed with the replacement. The Replacement request will include the desired replacement date and the reason for the request. The Contractor will use its best efforts to effect the replacement in a manner that does not degrade service quality. This provision will not be deemed to give MDOC the right to require the Contractor to terminate any Contractor employee; it is intended to give MDOC only the right to require that the Contractor discontinue using an employee in the performance of services for MDOC.

### **Replacement Personnel**

Any replacement personnel assigned by the Contractor to perform services under the Contract will have qualifications for the assigned position that equal or exceed those of the person being replaced.

The above noted terms and conditions are note and agreed to by Northpointe.

## **1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES**

MDOC will provide office space (e.g., desks, workstations, LAN access, printer, telephones, general office supplies, etc.) for on-site contractor staff.

MDOC/MDIT will provide on-site contractor staff the necessary security passes to access MDOC/MDIT facilities, as appropriate.

The DIT Contract Compliance Inspector – **Mark Lawrence**, will be assigned to assist with contractual issues and concerns and coordinate with the DMB Buyer assigned.

The MPRI EMT will provide **project management** to the Contractor regarding development, testing, implementation and training. Acceptance of the final product will be based on the recommendation of the EMT/MDIT.

Designated MDOC and MDIT staff will be involved in managing the project:

The Information Officer for the Department will provide strategic direction and ensure compliance with MDIT standards.

Mitch Montgomery is part of the MDIT Agency Liaison team for the Department and will provide project oversight and management of internal MDIT issues.

Lindsey White is the current OMNI database manager and will be involved in maintaining and supporting the new system and will participate in design modifications. It is expected that the Contractor will work with Mr. White during the entire process in order to transfer knowledge and allow MDIT to support the system.

MDIT will designate software development staff to be assigned to the project and will be involved in maintaining and supporting the new system and will participate in design modifications. It is expected that the Contractor will work with the designated MDIT development staff during the entire process in order to transfer knowledge and allow MDIT to support the system.

Dennis Schrantz is the Deputy Director of the Policy and Strategic Planning Administration. He will provide Department executive oversight for the project. Mr. Schrantz will provide the Department's recommendation to MDIT for final acceptance.

## **1.203 OTHER ROLES AND RESPONSIBILITIES**

Security review by the Office of Enterprise Security.

If the Vendor identifies a need for additional state staff with specific technical qualifications to be assigned to this project, the Vendor should indicate these needs as a part of their contract. At the state's discretion, state personnel may be substituted or added as needed. The state reserves the right to add or remove members of the state's project staff with or without replacement.

## **1.3 Project Plan**

### **1.301 PROJECT PLAN MANAGEMENT**

The project will be managed according to the MPRI management structure outlined in Section 1.002 to facilitate relevant input from all interested parties and assure adequate

review and approval across all partner agencies. Department staff will exercise primary day to day operational functions for the project.

Contractor will submit in its bid response a proposed project plan to be finalized after Contract Effective Date. The proposed Project Plan shall include project timelines and milestones and will be used to create the Implementation Guide.

The Contractor's Project Manager will be responsible for notifying the MRPI EMT and Dennis Schrantz of any proposed changes to the Project Plan/Implementation Guide.

The above noted terms and conditions are noted and agreed to by Northpointe.

### **1.302 REPORTS**

The following reports will be necessary during the scope of the project:

- Final performance specifications for assessment instrument
- Initial report on implementation, reliability and installation
- Report of pilot study of process measurement, norming and reliability and validity
- Year end reports on implementation issues, instrument revisions and ongoing validation.
- Final report on validity of final risk, needs and strengths instrument, including recommendations for future research.

The above noted terms and conditions are noted and agreed to by Northpointe.

## **1.4 Project Management**

### **1.401 ISSUE MANAGEMENT**

Contractor will capture and report to the designated **project management** staff via email any Issues that develop as the project goes forward as they occur. Issues are imminent threats and events that may have already occurred that jeopardize the timely completion of the project. If applicable, Contractor will include a possible plan for addressing the issue. If the plan of action has not been approved within one week, then the issue will be escalated to the Department's Deputy Director of Policy and Strategic Planning for resolution.

The above noted terms and conditions are noted and agreed to by Northpointe.

### **1.402 RISK MANAGEMENT**

There are a number of possible risks in the project. Risks are those things that may be assumed or anticipated as obstacles to the timely completion of the project. Contractor should identify any foreseeable risks, assign a level of priority based on probability and impact, define a mitigation strategy and provide a plan for monitoring the risk mitigation.

**The Contractor must address the following risks:**

1. Confidentiality Requirements – Much of the information contained in the Department database is subject to federal and state laws and regulations regarding disclosure.
2. Communication – This project affects a number of parties in both the Department and MDIT and multiple parties need to be kept up to date concerning this project's progress.
3. Complete DOC form CAJ532 Security Agreement (Attached). Failure to do so can be construed as **non-compliance**.

The above noted terms and conditions are noted and agreed to by Northpointe.

#### **1.403 CHANGE MANAGEMENT**

For enhancements and change orders requested by the State, the Contractor will provide to the State its cost estimate including programming time and/or any incremental change for the State's review prior to implementing any requested changes. The cost estimate will be provided by hour utilizing the hourly rate for the labor grades provided. The Contractor will provide its cost estimate for enhancements and change orders requested by the State within 2 weeks of receiving the request. If the Contractor is unable to provide an accurate estimate within 2 weeks, the Contractor will provide within a two weeks timeframe, when a complete estimate will be delivered to the State. Work will not begin on the enhancement and/or change order by the Contractor until written approval is received from the State in the form of a Contract Change Notice issued by the Department of Management & Budget, Acquisition Services.

The above noted terms and conditions are noted and agreed to by Northpointe.

### **1.5 Acceptance**

#### **1.501 CRITERIA (Deliverables Based)**

**The following criteria will be used by the State to determine acceptance of the services and/or deliverables provided under this SOW.**

##### **Document Deliverables**

Documents include, but not limited to, plans, design documents, project schedules, user guides, and procedure manuals.

1. Documents are dated and in electronic format, compatible with State of Michigan software in accordance with Article 1.302.
2. Requirements documents are reviewed and updated throughout the development process to assure requirements are delivered in final product.
3. Draft documents are not accepted as final deliverable.
4. The documents will be reviewed and accepted in accordance with the requirements in Appendix 1 and 2 of this contract.

5. MDOC and MDIT will review business documents within 30 days of receipt. Approvals will be written and signed by MDOC and MDIT Project Managers. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit documents for approval within 30 days of receipt.
6. MDIT and MDOC will review technical documents within 30 days of receipt. Approvals will be written and signed by MDOC and MDIT Project Manager with assistance from MDIT. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit documents for approval within 30 days of receipt.
7. MDOC and Project Managers will review project documents within 30 days of receipt. Approvals will be written and signed by both Project Managers. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit documents for approval within 30 days of receipt.

### **Software Deliverables**

Software includes, but not limited to, software product, development tools, support tools, data migration software, integration software and installation software.

1. Beta software is not accepted as final deliverable.
2. The software will be reviewed and accepted in accordance with the requirements of this contract.
3. MDOC and MDIT will review software within 30 days of receipt for acceptance of functionality, usability, installation, performance, security, standards compliance, backup/recovery and operation. Approvals will be written and signed by MDOC and MDIT Project Managers. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit software for approval within 30 days of receipt.
4. Software is installed and configured, with assistance from MDIT, in appropriate environment (e.g. development, staging, production). Contingency plans and de-installation procedures and software are provided by Contractor and approved by MDOC and MDIT Project Managers.
5. Final acceptance of the software will depend on the successful completion of the Acceptance Testing.
6. MDOC and MDIT will review test software, data and results within 30 days of receipt. Approvals will be written and signed by MDOC and MDIT Project Managers. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit test software, data and results for approval within 30 days of receipt.
7. MDIT will review software license agreements within 30 days of receipt. Approvals will be written and signed by MDOC and MDIT Project Managers. Unacceptable issues will

be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit license agreement for approval within 30 days of receipt.

8. Software source code, where applicable, is reviewed by MDIT within 30 days of receipt for readability, structure, and configuration management. Approvals will be written and signed by MDIT Project Manager. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit source code for approval.

Pertain to Section 1.5 - The above noted terms and conditions are noted and agreed to by Northpointe.

### **Service Deliverables**

Services include, but not limited to, training, help desk and support.

1. The services will be accepted in accordance with the requirements of this contract.
2. MDOC and MDIT will review a 'Request for Approval of Services' within 30 days of completion or implementation. Approvals will be written and signed by MDOC and MDIT Project Managers. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit a 'Request for Approval of Services' for approval within 30 days of receipt.
3. MDOC and MDIT will review migrated and configured data with 30 days of completion. Approvals will be written and signed by MDOC and MDIT Project Managers. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit a request for approval within 30 days of receipt.
4. MDOC and MDIT staff are properly trained and supplied with the proper tools and documentation to support, upgrade, monitor, operate and configure the application in accordance with the requirements of this contract.
5. The Contractor has the tools and connectivity installed, in compliance with MDIT standards, to Properly support and monitor the application.

### **1.502 FINAL ACCEPTANCE**

The following criteria will be used by the State to determine Final Acceptance under this Contract.

1. All documents, software and services are delivered and accepted by MDOC and MDIT in accordance with the requirements of this contract.
2. For thirty (30) days after installation and configuration in the staging environment, the software and any related infrastructure must meet or exceed acceptance testing requirements in accordance with the requirements of this contract. Due to the nature of required reporting at various times throughout the year there will be a thirty (30) day period after the creation of quarterly, semi-annual, and yearly reports, in which the performance and reliability

requirements must be met in order to prove the creation, operation and accuracy of those first reports. Final acceptance will occur after the application has been functioning in a production environment for ninety (90) days at **99% accuracy** on a Department wide basis. Approvals will be written and signed by MDOC and MDIT Project Managers. Unacceptable issues will be documented and submitted to the Contractor.

3. After installation and configuration in the production environment, all issues discovered during the 120-day warranty period are resolved and accepted or waived by MDOC and MDIT. Approvals will be written and signed by MDOC and MDIT Project Managers.

4. All bills related to this contract have been submitted and approved for payment.

5. A product roadmap is available to MDOC and MDIT including information such as technical requirements, functional enhancements and product availability periods.

## **1.6 Compensation and Payment**

Payments from this contract will be a fixed price. MDOC/MDIT will reimburse the Contractor in accordance with the agreed upon deliverable price. All invoices should reflect actual work done. Specific details of invoices and payment will be agreed upon between MDOC/MDIT and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing, Department of Management and Budget. This activity will occur only upon the specific written direction from the Acquisition Services.

MDOC/MDIT will review all work for acceptance within 30 days of completion and/or receipt. The Contractor will not be paid for any costs attributable to corrections of any errors or omissions that have been determined by the MDOC and MDIT Project Managers to be occasioned by the Contractor. Payments will not be made until work is accepted.

## **1.7 Additional Terms and Conditions Specific to this SOW**

### **Michigan Standard Travel Regulations**

The State of Michigan, through DMB, maintains travel regulations that apply to both State staff and

Contractor personnel. Included are rates for automobile mileage reimbursement as well as hotel and air travel policies. The MDOC Project Manager must approve any travel activity in advance of the actual occurrence if MDOC reimbursement is desired. MDOC policy does not provide for payment of travel time (that period spent in actual travel).

Following is State of MI language pertaining to travel:

“The State will reimburse for actual expenses (supported by detailed receipts and mileage log) provided that all travel arrangements, air, hotel and rental cars are arranged through the contracted travel agency.

Total Travel Management (TTM) is the current contracted travel agency and can be reached at 1-888-228-8692 or via email at [stateofmichigan@TTM.com](mailto:stateofmichigan@TTM.com). Meals will be paid at the state of Michigan standardized rates, which are published on the State web site for Agency Services, travel services at [www.michigan.gov/DMB](http://www.michigan.gov/DMB).



Contractors for the State of Michigan need to identify themselves as contractors and what department and Agency they are traveling for. TTM will then verify their eligibility for travel and will book travel according to State of Michigan policy.”

1. The Contractor, during the performance of services will be responsible for any loss or damage to original documents belonging to MDOC that are in the Contractor's possession. Restoration of lost or damaged original documents shall be at the Contractor's expense.
2. All questions which may arise as to the quality and acceptability of work, the manner of performance and rate of progress of the work, the interpretation of designs and specifications, and as to the satisfactory and acceptable fulfillment of the terms of this agreement shall be decided by the MDOC and MDIT Project Managers.
3. The Contractor shall agree that it will not volunteer, offer or sell its services to any litigant against MDOC with respect to any services that it has agreed to perform for MDOC, provided that this provision shall not apply either when the Contractor is issued a valid subpoena to testify in a judicial or administrative proceeding or when the enforcement of this provision would cause the Contractor to be in violation of any Michigan or Federal law.
4. Individuals assigned by the Contractor are employees of that Contractor, and are not, under any circumstances or conditions, employees of MDOC.
5. MDOC will retain the right to release outright or request the replacement of any Contractor representative who is working at an inferior level of performance, as determined by the MDOC and/or MDIT Project Manager. The Contractor will be given 24 hours advance notice of this action. The Contractor shall provide an acceptable replacement within five (5) working days of notice of this release.
6. The Contractor will assume full responsibility for the behavior of its employees and will remove any of its employees from MDOC or MDIT premises at the request of the MDOC or MDIT Project Manager.
7. The individual(s) assigned to the project may not be replaced during the course of the project without the prior approval of the project manager. The project manager and/or his representatives may interview candidates prior to this approval.
8. The Contractor shall use all MDOC/MDIT software in accordance with applicable license agreements and any further restrictions imposed by MDOC or MDIT. Contractors shall not make any unauthorized copies of any MDOC/MDIT licensed software under any circumstances. Contractors found copying or knowingly using copyrighted software other than for backup purposes, are subject to removal. Contractors shall not provide software to any outsiders including consultants, local governmental units and others when this would be in violation of law or copyright or license agreements.
9. The Contractor will certify in writing that they are in conformance with applicable federal and state civil rights laws and practices, equal employment opportunity for all persons regardless of race, creed, color, religion, national origin, gender or handicap; it is also in conformance with the requirements of the Americans With Disabilities Act. Failure to comply with the aforementioned laws may result in the termination of the Contract.
10. The Contractor's name, logo, or other company identifier may not appear on documentation delivered to the State without written authorization from the Contract

Administrator. An exception to this will be transmittal of cover letters showing delivery of said documents.

11. The Contractor is responsible for maintaining the confidentiality of their passwords and is liable for any harm resulting from disclosing or allowing disclosure of any password. Any conduct that restricts or inhibits the legitimate business use of MDOC/MDIT systems or networks is prohibited. Each person must use MDOC/MDIT systems and networks only for lawful purposes. Specifically prohibited is any use of MDOC systems or disclosure of MDOC data which would constitute a criminal offense, give rise to civil liability, violate any MDOC, MDIT or State of Michigan policy, or otherwise violate any applicable local, state or federal law. This also applies to any computer systems or networks that are accessed from MDOC/MDIT computer systems and networks.

12. MDIT has developed, and will continue to develop during the course of this effort, a growing number of information technology standards. The Contractor must follow any and all standards adopted by MDIT. Where standards do not exist, the final acceptance of any new technique, technology or design will rest with the MDIT Project Manager. The acceptance of any new technique, technology or design by the MDIT Project Manager must be in writing. Current IT Standards are available at (<http://www.michigan.gov/dit/0,1607,7-139-34305---,00.html>). MDIT will provide the applicable standards to the Contractor as well as notices of changes that occur during the life of the contract.

13. MDOC, In accordance with Title VI of the Civil Rights Act of 1964, 78 stat. 252, 42 U.S.C. 2000d to 2000d-4, hereby notifies all respondents that in any Contract entered into pursuant to this Invitation to Bid, minority business enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

14. MDOC reserves the right to interview and approve the Contractor's personnel. MDOC reserves the right to reject any proposed staff member and require the appointment of a satisfactory Contractor staff member, as well as to require verification of a proposed staff member's skills through demonstration and/or testing.

15. The Contractor shall use and take advantage of existing data sources created by other MDOC automation projects. These data sources shall not be duplicated without prior written approval by the MDOC and MDIT Project Managers.

16. The Contractor will not be limited to the tasks identified in this document or work plan, and may supplement them with an alternate list of tasks or sub-tasks that will still permit the proper development of the project. Any additions or modifications of the tasks by the Contractor must be so noted, along with reasons the changes were necessary. Changes and modifications are subject to written approval by the MDOC and MDIT Project Managers.

17. The hardware and software environment required for the software must insure that MDOC/MDIT is not required to be vendor specific in its pursuit of future hardware and software for open systems. In addition, all tools, compilers, libraries, etc. used in the development of the software must be available to MDOC/MDIT and licensable on reasonable terms, preferably as a site license.

18. The hardware and software environment required for the software, including future versions, must allow MDOC/MDIT a reasonable amount of time to upgrade and coordinate

infrastructure changes without impacting other MDOC/MDIT systems. MDOC/MDIT prefers Commercial-Off-The-Shelf (COTS) solutions to be backward compatible and support independent upgrades to the infrastructure.

19. Final bid acceptance will be contingent upon a satisfactory site visit/reference checks, to a client of the vendor, that already has the AORAS product to be purchased running in an operational production environment. MDOC personnel must be satisfied with the overall usage, workflow, functionality, and testimonials of the product and its installation. If the MDOC personnel leave the site visit with a negative impression of the AORAS or are not satisfied with the references, it could be grounds for dismissal of the bid.

## ARTICLE 1B – EVALUATION INFORMATION

### REQUIRED VENDOR INFORMATION

Please provide following required Vendor information. Failure respond to each requirement may disqualify the Vendor from further participation in this contract.

#### 1B.100 Vendor Information

##### 1B.101 Vendor Name and Address

Name, address, principle place of business, and telephone number of legal entity with whom contract is to be written.

Name:	Northpointe Institute for Public Management, Inc
Address:	5148 US 31 North
City, State, Zip:	Williamsburg, MI 49690
Phone:	(231 ) 938-5959
Web Page:	northpointeinc.com

##### 1B.102 Location Address

Address:	Same as above
City, State, Zip:	

##### 1B.103 Organization and Year

Legal status and business structure (corporation, partnership, sole proprietorship, etc.) of the Vendor and the year entity was established.

Status:	S Corporation 1994 (previously established as an LLC in 1989)
---------	--

In addition, please provide:

- (a) Company Sales Volume for the last five (5) years
- (b) Size and location of facilities that will be involved in any resulting contract.

Corporate Office noted above with 8 employees (also utilize criminal justice professional Northpointe Associates as needed)

Western Office (Boulder, CO) 4 employees

##### 1B.104 RFP Contact

Name, title, address, email, phone and fax numbers for Vendor's RFP Contact.

Name:	Dave Wells
Address:	5148 US 31 North
City, State, Zip	Williamsburg, MI 49690
Phone:	(231 ) 938-5959
Fax:	(231 ) 938-5959
E-Mail	wells@northpointe.intranets.com

Note: Person named above will be sole contact for your company to receive the Contract. Include the name and telephone number of person(s) in your company authorized to expedite any proposed contract with the State.

#### 1B.200 Qualifications

### **1B.201 Prior Experience**

Indicate the prior experience of your firm which you consider relevant to your ability to successfully manage a contract for the commodity or service defined by this Invitation to Bid. Include sufficient detail to demonstrate the relevance of such experience. It should include, in this section, descriptions of qualifying experience to include project descriptions, costs, and starting and completion dates of projects successfully completed. Also, include the name, address, and phone number of the responsible official of the client organization who may be contacted.

Vendor shall provide 3 (three) specific references.

As previously mentioned Northpointe as considerable experience in implementing software and technical services to criminal justice agencies of all sizes. We are currently implementing COMPAS in 5 state Department of Corrections systems including New York Parole, New York Probation, California Parole, Georgia and Wyoming. These projects are all in various stages of implementation with long term contracts. These projects range in cost from \$100,000 to \$1,000,000. Contact persons are provided below.

### **1B.202 Staffing**

The contract should indicate the competence of personnel whom the Vendor intends to assign to the project as specified Section 1.2. Qualifications will be measured by education and experience, with particular reference to experience on projects similar to that described in the SOW. Emphasis will be placed upon the qualifications of Vendor's Project Manager and the Manager's dedicated management time as well as that of other Key Personnel working on this project.

For all personnel identified in Section 1.2, Vendor must provide resumes which shall include detailed, chronological work experience, including name and phone number of person or persons who may contact from each project or work assignment.

Vendor must provide a list all subcontractors, including firm name, address, contact person, and a complete description of the work to be contracted. Include descriptive information concerning subcontractor's organization and abilities.

### **1B.203 Past Performance**

Please list and contracts that you have had with the State in the last ten (10) years.

Northpointe has had no contracts with the state in the past 10 years. However, we have worked closely with the Office of Community Corrections and individual counties providing P.A. 511 services through OCC.

### **1B.204 Contract Performance**

Indicate if the Vendor has had a contract terminated for default in the last three (3) years. Termination for default is defined as notice to stop performance which was delivered to the Vendor due to the Vendor's non-performance or poor performance and the issue of performance was either (a) not litigated due to inaction on the part of the Vendor, or (b) litigated and determined that the Vendor was in default.

If no such terminations exist, the Vendor must affirmatively state this.

Northpointe has never had a contract terminated for any reason.

**Note:** If the Vendor has had a contract terminated for default in this period, the Vendor shall submit full details including the other party's name, address, and phone number Acquisition Services will evaluate the facts and may, at its sole discretion, cancel the contract on the grounds of past experience.

**Termination:** \_\_\_\_\_  
**Reason:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## **1B.300 Disclosures**

### **1B.301 Disclosure of Litigation**

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

### **1B.302 Disclosure of RFP Assistance**

The Vendor shall notify the State, if it, or any of its subcontractors, or its officers or directors have assisted with the drafting of this contract, either in whole, or in part. This includes the conducting or drafting of surveys designed to establish a system inventory, and/or arrive at an estimate for the value of the solicitation.

The Vendor shall provide a listing of all materials provided to the State by the Contractor, or by the State to the Contractor, containing information relevant to this contract, including, but not limited to: questionnaires, requirements lists, budgetary figures, assessments, white papers, presentations, draft documents. The Vendor shall provide a list of all individuals within the State with whom any of their personnel, and/or subcontractors' personnel has discussed this contract.

## Article 2 – General Terms and Conditions

\*The Vendor has read Article 2 – Terms and Conditions – and agrees to terms and conditions as stated in this section.

### 2.010 Contract Structure and Administration

### 2.011 Definitions

Capitalized terms used in this Contract (including its Exhibits) shall have the meanings given below, unless the context requires otherwise:

- (a) “Days” means calendar days unless otherwise specified.
- (b) “24x7x365” means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
- (c) “Additional Service” means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration. “Additional Service” does not include New Work.
- (d) “Amendment Labor Rates” means the schedule of fully-loaded hourly labor rates attached as **Exhibit Q**.
- (e) “Audit Period” has the meaning given in **Section 2.111(b)**.
- (f) “Business Day,” whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
- (g) “Incident” means any interruption in Services.
- (h) “Business Critical” means any function identified in any Statement of Work as Business Critical.
- (i) “Deliverable” means physical goods and/or commodities as required or identified by a Statement of Work
- (j) “Key Personnel” means any Personnel designated in **Exhibit C** as Key Personnel.
- (k) “New Work” means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration. “New Work” does not include Additional Service.
- (l) “Services” means any function performed for the benefit of the State.
- (m) “State Location” means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
- (n) “Subcontractor” means a company the Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
- (o) “Work in Process” means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

### 2.012 Exhibits

All Exhibits attached to and all Statement(s) of Work attached to or referencing this Contract are incorporated in their entirety into, and form part of, this Contract.

## **2.013 Statements of Work**

(a) The parties agree that the Services/Deliverables to be rendered by Contractor pursuant to this Contract (and any future amendments of it) will be defined and described in detail in Statements of Work or Purchase Orders executed under this Contract. Contractor shall not be obliged or authorized to commence any work to implement a Statement of Work until it is signed by both parties. Contractor shall perform in accordance with this Contract, including the Statements of Work/Purchase Orders executed under it.

(b) Unless otherwise agreed by the parties, each Statement of Work will include, or incorporate by reference to the appropriate Contract Exhibit containing, the following information:

- a description of the Services to be performed by Contractor under the Statement of Work;
- a project schedule (including the commencement and completion dates for all tasks, subtasks (for all projects of sufficient duration and complexity to warrant sub task breakdown), and Deliverables;
- a list of the Deliverables to be provided, if any, including any particular specifications and acceptance criteria for such Deliverables, and the dates on which the Deliverables are scheduled to be completed and delivered to the State;
- all Deliverable prices and other charges associated with the Statement of Work, the overall fixed price for such Statement of Work and any other appropriate pricing and payment terms;
- a specification of Contractor's and the State's respective performance responsibilities with respect to the performance or completion of all tasks, subtasks and Deliverables;
- a listing of any Key Personnel of Contractor and/or its Subcontractors for that Statement of Work and any future Statements of Work.
- any other information or provisions the parties agree to include.

(c) Reserved.

(d) The initial Statements of Work, as of the Effective Date, are attached to this Contract.

## **2.014 Issuing Office**

This Contract is issued by the Department of Management and Budget, Office of Acquisition Services ("OAS") and Department of Corrections (collectively, including all other relevant State of Michigan departments and agencies, the "State"). OAS is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. OAS is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract. The Contractor Administrator within the Office of Acquisition Services for this Contract is:

Lisa Morrison  
Office of Acquisition Services  
Department of Management and Budget  
Mason Bldg, 2nd Floor  
PO Box 30026  
Lansing, MI 48909  
[Morrison1@michigan.gov](mailto:Morrison1@michigan.gov)  
(517) 241-2005

## **2.015 Contract Compliance Inspector**

Upon receipt at OAS of the properly executed Contract, it is anticipated that the Director of Acquisition Services, DMB will direct that the person named below, or any other person so designated, be authorized to administer the Contract on a day-to-day basis during its term. However, administration of this Contract implies no authority to change, modify, clarify, amend, or otherwise



alter the prices, terms, conditions and specifications of such Contract as that authority is retained by the Office of Acquisition Services. The Contract Compliance Inspector for this Contract is:

Mark Lawrence  
Department of Information Technology  
Constitution Hall, Atrium - South Tower  
525 W. Allegan  
Atrium - South Tower  
Lansing, Mi. 48913  
[Lawrencem1@michigan.gov](mailto:Lawrencem1@michigan.gov)  
(517) 241-1640

## **2.016 Project Manager**

The following individual will oversee the project:

Name: Gary Stockman  
Department of Corrections  
Grandview Plaza Building  
206 East Michigan Avenue  
Lansing, Mi. 48909  
[stockmgw@michigan.gov](mailto:stockmgw@michigan.gov)  
(517) 373-3518

## **2.020 Contract Objectives/Scope/Background**

### **2.021 Background**

The Department of Corrections is the largest state agency and operates prison facilities and probation/parole offices throughout the state. In total, the Department manages more than 125,000 prisoners, parolees and probationers on a daily basis. The Department's mission in managing the offender population "is to enhance public safety by recommending sanctions to the courts and to carry out the sentences given to convicted felons as directed by the courts in a humane, cost-efficient manner which is consistent with sound correctional principles and constitutional standards."

The Michigan Department of Corrections (MDOC) has adopted a new model of custody and supervision consistent with state of the art correctional principles for the nearly 70,000 prisoners and parolees under its jurisdiction. Dubbed the Michigan Prison ReEntry Initiative (MPRI), the new model is based on sound scientific research that demonstrates targeted supervision strategies coupled with carefully crafted treatment interventions will "produce sustained reductions in (offender) recidivism."

At the heart of this new offender management model is routine and reliable assessment of offender risk, needs and strength. The assessment system must not only reliably predict the offender's risk to recidivate, commit violent acts, comply with supervision rules, or abscond from supervision, but more importantly, must accurately measure and prioritize the offender's criminogenic needs that must be addressed during custody and supervision to reduce the identified risk. With an assessment tool in place that meets these criteria, MDOC will have the ability to identify target populations for specific custody and supervision strategies and treatment interventions which will lead to reduction in the recidivism for offenders under the custody and control of the Department.

### **2.022 Purpose**

The Purpose of this Contract is to obtain an offender risk/needs assessment package capable of meeting the requirements of the Department. The Contractor will be asked to provide on-site training on the solution to the Department. This Contract is solely for the Department of Corrections and is not exclusive.

### **2.023 Objectives and Scope**

The Objectives and Scope of the Contract are defined in Article I, SOW.

### **2.024 Interpretation**

Sections 2.021 through 2.023 are intended to provide background and context for this Contract and are not intended to expand the scope of the obligations under this Contract or to alter the plain meaning of the terms and conditions of this Contract. However, to the extent the terms and conditions of this Contract are unclear or otherwise ambiguous, such terms and conditions are to be interpreted and construed in light of the provisions of this Section.

### **2.025 Form, Function and Utility**

If the Contract is for use of more than one State agency and if the Deliverable/Service does not meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

### **2.030 Legal Effect and Term**

#### **2.031 Legal Effect**

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under this Contract until Contractor is notified in writing that this 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.

#### **2.032 Contract Term**

This Contract is for a period of three years commencing on the date that the last signature required to make the Contract enforceable is obtained. All outstanding Purchase Orders shall also expire upon the termination of the Contract, unless otherwise extended pursuant to the Contract.

#### **2.033 Reserved**

### **2.040 Contractor Personnel**

#### **2.041 Contractor Personnel**

- (a) Personnel Qualifications. All persons assigned by Contractor to the performance of Services under this Contract shall be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and shall be fully qualified to perform the work assigned to them. Contractor shall include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of this Contract, independent contractors engaged by Contractor solely in a staff augmentation role shall be treated by the State as if they were employees of Contractor for this Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.
- (b) Key Personnel
  - (i) In discharging its obligations under this Contract, Contractor shall provide the named Key Personnel on the terms indicated. **Exhibit C** provides an organization chart showing the roles of certain Key Personnel, if any.
  - (ii) Key Personnel shall be dedicated as defined in **Exhibit C** 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.
  - (iii) The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed

assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. Additionally, the State's request shall be based on legitimate, good-faith reasons. Proposed alternative for the individual denied, shall be fully qualified for the position.

(iv) Contractor shall not remove any Key Personnel from their assigned roles or the Contract without the prior written consent of the State. If the Contractor does remove Key Personnel without the prior written consent of the State, it shall be considered an unauthorized removal ("Unauthorized Removal"). It shall not be considered an Unauthorized Removal if Key Personnel must be replaced 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. It shall not be considered an Unauthorized Removal if Key Personnel must be replaced 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 thirty (30) days of shadowing unless parties agree to a different time period. The Contractor with the State shall review any Key Personnel replacements, and appropriate transition planning will 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 rights under **Section 2.210**.

(v) It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 2.210**, the State may assess liquidated damages against Contractor as specified below.

For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the liquidated damages amount shall be \$25,000.00 per individual provided Contractor identifies a replacement approved by the State pursuant to **Section 2.041** and assigns the replacement to the Project to shadow the Key Personnel s/he is replacing for a period of at least thirty (30) days prior to such Key Personnel's removal.

If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least thirty (30) days, in addition to the \$25,000.00 liquidated damages for an Unauthorized Removal, Contractor shall pay the amount of \$833.33 per day for each day of the thirty (30) day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$25,000.00 maximum per individual. The total liquidated damages that may be assessed per Unauthorized Removal and failure to provide thirty (30) days of shadowing shall not exceed \$50,000.00 per individual.

(c) Re-assignment of non-Key Personnel. Prior to re-deploying to other projects, at the completion of their assigned tasks on the Project, teams of its non-Key Personnel who are performing Services on-site at State facilities or who are otherwise dedicated primarily to the Project, Contractor will give the State at least ten (10) Business Days notice of the proposed re-deployment to give the State an opportunity to object to the re-deployment if the State reasonably believes such team's Contract responsibilities are not likely to be completed and approved by the State prior to the proposed date of re-deployment.

(d) 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 shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good-faith reasons. Replacement personnel for the removed person shall 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.

(e) **Staffing Levels.**

(i) All staff requirements not specified in the applicable Statement of Work or State-approved project plan as State personnel will be supplied by Contractor. This includes secretarial, clerical and Contract administration support staff necessary for Contractor to perform its obligations hereunder.

(ii) Contractor shall provide sufficient personnel resources for the completion of Contract tasks indicated in Contractor's project plan approved by the State. If the level of personnel resources is insufficient to complete any Contractor Contract tasks in accordance with the Contract time schedule as demonstrated by Contractor's failure to meet mutually agreed to time schedules, Contractor shall promptly add additional qualified personnel resources to the performance of the affected tasks, at no additional charge to the State, in an amount sufficient to complete performance of Contractor's tasks in accordance with the Contract time schedule.

(f) **Personnel Turnover.** The Parties agree that it is in their best interests to keep the turnover rate of employees of Contractor and its Subcontractors who are performing the Services to a reasonable minimum. Accordingly, if the State determines that the turnover rate of such employees is excessive and so notifies Contractor, Contractor will meet with the State to discuss the reasons for the turnover rate and otherwise use commercially reasonable efforts to minimize such turnover rate. If requested to do so by the State, Contractor will submit to the State its proposals for reducing the turnover rate to an acceptable level. In any event, notwithstanding the turnover of personnel, Contractor remains obligated to perform the Services without degradation and in accordance with the State-approved Contract schedule.

(g) **Location.** All staff assigned by Contractor to work on the Contract will perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel will, 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.

## **2.42 Contractor Identification**

Contractor employees shall 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.

## **2.43 Cooperation with Third Parties**

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel, and, as reasonably requested by the State, to provide to the State's agents and other contractors with reasonable access to Contractor's Project personnel, systems and facilities to the extent they relate to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities and provided Contractor receives reasonable prior written notice of such request. The State acknowledges that Contractor's time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Contract with such requests for access.

## **2.044 Subcontracting by Contractor**

(a) Contractor shall have 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 this Contract, including payment of any and all charges for Services and Deliverables.

(b) Contractor shall not delegate any duties under this Contract to a Subcontractor unless the Department of Management and Budget, Office of Acquisition Services has given written consent to such delegation. The State shall have the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good-faith reasons. Replacement Subcontractor(s) for the removed Subcontractor shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal.

(c) In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract. Attached as **Exhibit E** is a list of the Subcontractors, if any, approved by the State as of the execution of this Contract, together with a copy of the applicable subcontract.

(d) Except where specifically approved in writing by the State on a case-by-case basis, Contractor shall flow down the obligations in **Sections 2.040, 2.110, 2.150, 2.160, 2.171(c), 2.172(b), 2.180, 2.260, 2.276, 2.297** in all of its agreements with any Subcontractors.

(e) The Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract.

## **2.44 Contractor Responsibility for Personnel**

Contractor shall be responsible for all acts and omissions of its employees, as well as the acts and omissions of any other personnel furnished by Contractor to perform the Services.

## **2.050 State Standards**

### **2.051 Existing Technology Standards**

The Contractor will adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at [http://www.michigan.gov/dit/0,1607,7-139-30639\\_30655---,00.html](http://www.michigan.gov/dit/0,1607,7-139-30639_30655---,00.html).

### **2.052 PM Methodology Standards**

The State has adopted a standard documented Project Management Methodology (PMM) for use on all Information Technology (IT) based projects. See the State's PMM website at <http://www.michigan.gov/projectmanagement>.

The Contractor shall use the State's PPM to manage this Contract. If the Contractor requires training on the PMM, those costs shall be the responsibility of the Contractor, unless otherwise stated.

### 2.053 Adherence to Portal Technology Tools

The State has adopted the following tools for its Portal Technology development efforts:

- Vignette Content Management and personalization Tool
- Inktomi Search Engine
- E-Pay Payment Processing Module
- Websphere Commerce Suite for e-Store applications

Unless otherwise stated, Contractor must use the Portal Technology Tools to implement web content management and deployment efforts. Tools used for web-based application development must work in conjunction with Vignette and Inktomi. The interaction with Vignette and Inktomi must be coordinated with MDIT, Enterprise Application Services Office, e-Michigan Web Development team.

Contractors that are compelled to use alternate tools must have received an exception from MDIT, Enterprise Application Services Office, e-Michigan Web Development team, before this Contract is effective.

### 2.054 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/dit/service/0,1607,7-179-25781-73760--00.html>. All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

### 2.060 Deliverables

#### 2.061 Ordering

- (a) Any Services/Deliverables to be furnished under this Contract shall be ordered by issuance of written Purchase Orders/Blanket Purchase Order by the State after approval by the Contract Administrator or his/her designee. All orders are subject to the terms and conditions of this Contract. In the event of conflict between an order and this Contract, the Contract shall take precedence as stated in **Section 2.293**. In no event shall any additional terms and conditions contained on a Purchase Order/Blanket Purchase Order be applicable, unless specifically contained in that Purchase Order/Blanket Purchase Order's accompanying Statement of Work.
- (b) MDIT will continue to oversee the use of this Contract by End Users. MDIT may, in writing, delegate to agencies the authority to submit requests for certain services directly to the Contractor. MDIT may also designate, in writing, some services as non-delegated and require MDIT review and approval before agency acquisition. MDIT will use Contractor provided management reports and periodic random agency audits to monitor and administer contract usage for delegated services.

#### 2.062 Software

**Exhibit J** lists the items of software the State is required to purchase for execution the Contract. The list in **Exhibit J** includes all software required to complete the Contract and make the Deliverables operable; if any additional software is required in order for the Deliverables to meet the requirements of this Contract, such software shall be provided to the State by Contractor at no additional charge (except where agreed upon and specified in a Statement of Work or Contract Change Notice). **Exhibit J** also identifies certain items of software to be provided by the State.

#### 2.063 Hardware

**Exhibit F** lists the items of hardware the State is required to purchase for execution the Contract. The list in **Exhibit F** includes all hardware required to complete the Contract and make the Deliverables operable; if any additional hardware is required in order for the Deliverables to meet the requirements of this Contract, such hardware shall be provided to the State by Contractor at no additional charge (except where agreed upon and

specified in a Contract Change Notice). **Exhibit F** also identifies certain items of hardware to be provided by the State.

#### **2.064 Equipment to be New and Prohibited Products**

(a) Equipment to be New

If applicable, all equipment provided under this Contract by Contractor shall be new where Contractor has knowledge regarding whether the equipment is new or assembled from new or serviceable used parts that are like new in performance or has the option of selecting one or the other. Equipment that is assembled from new or serviceable used parts that are like new in performance is acceptable where Contractor does not have knowledge or the ability to select one or other, unless specifically agreed otherwise in writing by the State.

(b) Prohibited Products

The State will not accept salvage, distressed, outdated or discontinued merchandise. Shipping of such merchandise to any State agency, as a result of an order placed against the Contract, shall be considered default by the Contractor of the terms and conditions of the Contract and may result in cancellation of the Contract by the State. The brand and product number offered for all items shall remain consistent for the term of the Contract, unless Acquisition Services has approved a change order pursuant to **Section 2.106**.

#### **2.070 Performance**

##### **2.071 Performance, In General**

The State engages Contractor to execute the Contract and perform the Services/provide the Deliverables, and Contractor undertakes to execute and complete the Contract in its entirety in accordance with the terms and conditions of this Contract and with the participation of State representatives as specified in this Contract.

##### **2.072 Time of Performance**

(a) Contractor shall use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables in accordance with 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 2.072(a)**, Contractor shall 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, in such event, shall inform the State of the projected actual delivery date.

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

##### **2.073 Liquidated Damages**

The parties acknowledge that the failure to have a functioning system in place by September 30, 2008 will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any such delay. Therefore, Contractor and the State agree that in the case of Final Acceptance not being achieved by October 1, 2008, in respect of which the State does not elect to exercise its rights under **Section 2.191**, the State may assess liquidated damages against Contractor as specified in this Section. If Final Acceptance has not occurred by October 1, 2008, then the State shall be entitled to collect liquidated damages in the amount of \$5,000.00 and an additional \$100.00 per day for each day Contractor fails to achieve Final Acceptance.

#### **2.74 Bankruptcy**

If Contractor shall file for protection under the bankruptcy laws, or if an involuntary petition shall be filed against Contractor and not removed within thirty (30) days, or if the Contractor becomes insolvent, be adjudicated bankrupt, or if it should make a general assignment for the benefit of creditors, or if a receiver shall be



appointed due to its insolvency, and Contractor and/or its affiliates are unable to provide reasonable assurances that Contractor and/or its affiliates can deliver the services provided herein, the State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish such Works in Process by whatever appropriate method the State may deem expedient. 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 shall be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

To secure the State's progress payments before the delivery of any services or materials required for the execution of Contractor's obligations hereunder, and any work which Contractor may subcontract in the support of the performance of its obligations hereunder, title shall vest in the State to the extent the State has made progress payments hereunder.

#### **2.075 Reserved**

#### **2.076 Reserved**

#### **2.080 Delivery and Acceptance of Deliverables**

##### **2.081 Delivery Responsibilities**

Unless otherwise specified by the State within an individual order, the following shall be applicable to all orders issued under this Contract.

- (a) Shipment responsibilities - Services performed/Deliverables provided under this Contract shall be delivered "F.O.B. Destination, within Government Premises." The Contractor shall have complete responsibility for providing all Services/Deliverables to all site(s) unless otherwise stated. Actual delivery dates will be specified on the individual purchase order.
- (b) Delivery locations - Services will be performed/Deliverables will be provided at every State of Michigan location within Michigan unless otherwise stated in the SOW. Specific locations will be provided by the State or upon issuance of individual purchase orders.
- (c) Damage Disputes - At the time of delivery to State Locations, the State shall examine all packages. The quantity of packages delivered shall be recorded and any obvious visible or suspected damage shall be noted at time of delivery using the shipper's delivery document(s) and appropriate procedures to record such.

Where there is no obvious or suspected damage, all deliveries to a State Location must be opened by the State and the contents inspected for possible internal damage not visible externally within fourteen (14) days of receipt. Any damage must be reported to the Contractor within five (5) days of inspection. If this inspection does not occur and damages not reported within thirty (30) days of receipt, the cure for such damaged deliveries shall transfer to the delivery signing party.

##### **2.082 Delivery of Deliverables**

- (a) 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 shall be completed and delivered for State review and written approval and, where applicable, installed in accordance with the State-approved delivery schedule and any other applicable terms and conditions of the Contract.

##### **2.083 Testing**

- (a) Prior to delivering any of the above-mentioned Statement of Work Physical Deliverables or Services to the State, Contractor will first perform all required quality assurance activities to verify that the Physical Deliverable or Service is complete and in conformance with its specifications listed in the applicable Statement of Work or Purchase Order. Before delivering a Physical Deliverable or Service to the State, Contractor shall certify to the State that (1) it has performed such quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies



discovered during such 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 shall (1) perform any applicable testing, (2) correct all material deficiencies discovered during such 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 shall be entitled to observe or otherwise participate in testing.

#### **2.084 Approval of Deliverables, In General**

(a) All Deliverables (Physical Deliverables and Written Deliverables) and Services require formal written approval by the State, in accordance with the following procedures. Formal approval by the State requires that the Deliverable be confirmed in writing by the State to meet its specifications, which will include the successful completion of Testing as applicable in **Section 2.083**, to be led by the State with the support and assistance of Contractor. The parties acknowledge that the approval process set forth herein will be facilitated by ongoing consultation between the parties, visibility of interim and intermediate Deliverables and collaboration on key decisions.

(b) The State's obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables/Services being reviewed.

(c) Prior to commencement of its review or testing of a Deliverable/Service, the State may inspect the Deliverable/Service to confirm that all components of the Deliverable/Service have been delivered without material deficiencies. If the State determines that the Deliverable/Service has material deficiencies, the State may refuse delivery of the Deliverable/Service without performing any further inspection or testing of the Deliverable/Service. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable or the Service begins, and the State and Contractor agree that the Deliverable/Service is ready for use and, where applicable, certification by Contractor in accordance with **Section 2.083(a)**.

(d) The State will approve in writing a Deliverable/Service upon confirming that it conforms to and, performs in accordance with, its specifications without material deficiency. The State may, but shall not be required to, conditionally approve in writing a Deliverable/Service that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will be responsible for working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable/Service that remain outstanding at the time of State approval.

(e) If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing Final Acceptance of a Deliverable/Service, the State may: (i) demand that Contractor cure the failure and give Contractor additional time to cure the failure at the sole expense of Contractor; or (ii) keep the Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, in which event Contractor shall bear any excess expenditure incurred by the State in so doing beyond the Contract price for such Deliverable/Service and will pay the State an additional sum equal to ten percent (10%) of such excess expenditure to cover the State's general expenses provided the State can furnish proof of such general expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure such breach. Notwithstanding the foregoing, the State shall not use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

(f) The State, at any time and in its reasonable discretion, may halt the testing or approval process if such process reveals deficiencies in or problems with a Deliverable/Service in a sufficient quantity or of a sufficient severity as to make the continuation of such process unproductive or unworkable. In such case, the State may stop using the Service or return the applicable Deliverable to Contractor for correction and re-delivery prior to resuming the testing or approval process.

### **2.085 Process For Approval of Written Deliverables**

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Deliverable (failing which the State Review Period, by default, shall be five (5) Business Days for Written Deliverables of one hundred (100) pages or less and ten (10) Business Days for Written Deliverables of more than one hundred (100) pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable prior to its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

### **2.086 Process for Approval of Services**

The State Review Period for approval of Services is governed by the applicable Statement of Work (failing which the State Review Period, by default, shall be thirty (30) Business Days for Services). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Service is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Services (or at the State's election, subsequent to approval of the Service). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) Business Days resubmit the Service in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon implementation of a corrected Service from Contractor, the State will 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.

### **2.087 Process for Approval of Physical Deliverables**

The State Review Period for approval of Physical Deliverables is governed by the applicable Statement of Work (failing which the State Review Period, by default, shall be thirty (30) continuous Business Days for a Physical Deliverable). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

### **2.088 Final Acceptance**

Unless otherwise stated in the Statement of Work or Purchase Order, "Final Acceptance" of each Deliverable shall occur when each Deliverable/Service has been approved by the State following the State Review Periods identified in **Sections 2.080-2.087**. 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.

### **2.090 Financial**

#### **2.091 Pricing (Indicate in attached pricing index)**

- (a) Fixed Prices for Services/Deliverables

Each Statement of Work/PO issued under this Contract shall 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. To the extent the parties agree that certain specific Services will be provided on a time and materials basis, such Services shall be provided at the Amendment Labor Rates (**Exhibit D**). 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.

(b) Adjustments for Reductions in Scope of Services/Deliverables

If the scope of the Services/Deliverables under any Statement of Work issued under this Contract is subsequently reduced by the State, the parties shall negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope, using the rates in **Exhibit D** unless specifically identified in an applicable Statement of Work.

(c) Services/Deliverables Covered

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

(d) Labor Rates

All time and material charges will be at the rates specified in **Exhibit D**.

## **2.092 Invoicing and Payment Procedures and Terms**

(a) Invoicing and Payment – In General

(i) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.

(ii) Each Contractor invoice will 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. The charges for Services billed on a time and materials basis shall be determined based on the actual number of hours of Services performed, at the applicable Labor Rates specified in **Exhibit D**. Invoices for Services performed on a time and materials basis will 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 2.094**.

(iii) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within forty-five (45) days after receipt, provided the State determines that the invoice was properly rendered.

(b) Taxes

The State is exempt from Federal Excise Tax, State and Local Sales Taxes, and Use Tax with respect to the sale to and use by it of tangible personal property. Such taxes shall not be included in Contract prices as long as the State maintains such exemptions. Copies of all tax exemption certificates shall be supplied to Contractor, if requested.

(c) Out-of-Pocket Expenses

Contractor acknowledges that the out-of-pocket expenses that Contractor expects to incur in performing the Services/ providing the Deliverables (such as, but not limited to, travel and lodging, document reproduction and shipping, and long distance telephone) are included in Contractor's fixed price for each Statement of Work. Accordingly, Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for such an expense at the State's current travel reimbursement rates. See [http://www.mi.gov/dmb/0,1607,7-150-9141\\_13132---,00.html](http://www.mi.gov/dmb/0,1607,7-150-9141_13132---,00.html) for current rates.

(d) Pro-ration

To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services shall be pro-rated for any partial month.

(e) 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 this Contract.

(f) 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 party against the other arising from unsettled claims or failure by a party to comply with this 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 this Contract shall constitute a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

## **2.093 State Funding Obligation**

The State's obligation under this Contract is payable only and solely from funds appropriated for the purpose of this Contract. Contractor acknowledges and agrees that all funds for payments after the end of the current fiscal year are subject to the availability of a legislative appropriation for the purpose of this Contract. Events of non-appropriation are addressed further in **Section 2.210** of this Contract.

## **2.094 Reserved.**

## **2.095 Electronic Payment Availability**

Electronic transfer of funds is available to State contractors. Contractor is encouraged to register with the State electronically at <http://www.cpexpress.state.mi.us>.

## **2.100 Contract Management**

### **2.101 Contract Management Responsibility**

(a) Contractor shall have overall responsibility for managing and successfully performing and completing the Services/Deliverables, subject to the overall direction and supervision of the State and with the participation and support of the State as specified in this Contract. Contractor's duties will include monitoring and reporting the State's performance of its participation and support responsibilities (as well as Contractor's own responsibilities) and providing timely notice to the State in Contractor's reasonable opinion if the State's failure to perform its responsibilities in accordance with **Exhibit H** (Project Plan) is likely to delay the timely achievement of any Contract tasks.

(b) The Services/Deliverables will be provided by the Contractor either directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor will act as a single point of contact coordinating these entities to meet the State's need for Services/Deliverables. Nothing in this Contract, however, shall be construed to authorize or require any party to violate any applicable law or regulation in its performance of this Contract.

### **2.102 Problem and Contract Management Procedures**

Problem Management and Contract Management procedures will be governed by the Contract and the applicable Statements of Work.

### **2.103 Reports and Meetings**

(a) Reports.

Within thirty (30) days after the Effective Date, the parties shall determine an appropriate set of periodic reports to be issued by Contractor to the State. Such reports may include:

- (i) separately address Contractor's performance in each area of the Services;
- (ii) for each area of the Services, assess the degree to which Contractor has attained or failed to attain the pertinent objectives in that area, including on-time completion and delivery of Deliverables;
- (iii) explain the reasons for any failure to achieve on-time completion and delivery of Deliverables and include a plan for corrective action where appropriate;
- (iv) describe any circumstances that Contractor anticipates will impair or prevent on-time completion and delivery of Deliverables in upcoming reporting periods;
- (v) include plans for corrective action or risk mitigation where appropriate and describe the status of ongoing problem resolution efforts;
- (vi) provide reports setting forth a comparison of actual hours spent by Contractor (including its augmented personnel and Subcontractors) in performing the Project versus hours budgeted by Contractor.
- (vii) set forth a record of the material personnel changes that pertain to the Services and describe planned changes during the upcoming month that may affect the Services.
- (viii) include such documentation and other information may be mutually agreed to verify compliance with, and meeting the objectives of, this Contract.
- (ix) set forth an updated schedule that provides information on the status of upcoming Deliverables, expected dates of delivery (or redelivery) of such Deliverables and estimates on timing for completion of the Project.

(b) Meetings.

Within thirty (30) days after the Effective Date, the parties shall determine an appropriate set of meetings to be held between representatives of the State and Contractor. Contractor shall prepare and circulate an agenda sufficiently in advance of each such meeting to give participants an opportunity to prepare for the meeting. Contractor shall incorporate into such agenda items that the State desires to discuss. At the State's request, Contractor shall prepare and circulate minutes promptly after a meeting.

#### **2.104 System Changes**

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the State. Any changes Contractor makes to State systems with the State's approval shall be done in accordance with applicable State procedures, including security, access and configuration management procedures.

#### **2.105 PERFORMANCE AND RELIABILITY EVALUATION (PARE)**

When the State requires that a performance and reliability evaluation (PARE) is to be performed, the standard of performance for the PARE will be closely monitored during the acceptance period.

In the event that the PARE is for components only, all references to systems (processors) should be changed to components.

**The Performance and Reliability Evaluation will consist of two phases.**

##### **PHASE I**

The first phase shall be comprised of a specification compliance review of the equipment listed on the ordering documents. Such equipment shall be checked for total compliance with all required specifications of the RFQ. In the event that the State determines that any component or feature of the delivered equipment or software does not comply with the mandatory specifications of the RFQ, the State shall so notify the Contractor, allowing 14 calendar days for rectification by the Contractor. Should the Contractor be unable to rectify the deficiency, the State reserves the right to cancel the ordering document. Should the

equipment and software pass the specification conformance review, the equipment shall enter Phase II of the PARE.

## PHASE II

### a. Determination of System Readiness

- 1) Prior to the PARE, a committee of three persons will be formed to evaluate the system's performance on a daily basis. The committee will consist of one Contractor representative and two State personnel.
- 2) The PARE will begin on the installation dates when the Contractor certifies that the equipment is ready for use by the State.

### b. During the PARE:

All rerun times resulting from equipment failure and preventive maintenance shall be excluded from the performance hours.

- 1) All reconfiguration and reload time shall be excluded from the performance hours.
- 2) If files are destroyed as a result of a problem with Contractor equipment and must be rebuilt, the time required to rebuild the files will be considered "down-time" for the system.
- 3) If the Contractor requests access to failed equipment and the State refuses, then such maintenance will be deferred to a mutually agreeable time and the intervening time will not count against the PARE.
- 4) A functional benchmark demonstration will be run for the PARE Committee to confirm that the installed system is capable of performing the same functions that were demonstrated. This run must be completed to the satisfaction of the PARE Committee.

## STANDARD OF PERFORMANCE

- a. The performance period (a period of thirty consecutive calendar days) shall commence on the installation date, at which time the operational control becomes the responsibility of the State. It is not required that one thirty day period expire in order for another performance period to begin.
- b. If each component operates at an average level of effectiveness of 99 percent or more for a period of 30 consecutive days from the commencement date of the performance period, it shall be deemed to have met the State's standard of performance period. The State shall notify the Contractor in writing of the successful completion of the performance period. The average effectiveness level is a percentage figure determined by dividing the total operational use time by the total operational use time plus associated down-time. In addition, the equipment shall operate in substantial conformance with the Contractor's published specifications applicable to such equipment on the date of this Agreement. Equipment added by amendment to this contract shall operate in conformance with the Contractor's published specifications applicable to such equipment at the time of such amendment.
- c. During the successful performance period, all rerun time resulting from equipment failure and preventive maintenance time shall be excluded from the performance period hours. All reconfigurations and reload time shall be excluded from the performance hours. Equipment failure down-time shall be measured by those intervals during the performance period between the time that the Contractor is notified of

equipment failure and the time that the equipment is returned to the State in operating condition.

- d. During the successful performance period, a minimum of 80 hours of operational use time on each component will be required as a basis for computation of the average effectiveness level. However, in computing the effectiveness level, the actual number of operational use hours shall be used when in excess of the minimum stated above.
- e. No more than one hour will accrue to the performance hours during any one wall-clock hour.
- f. Equipment shall not be accepted by the State and no charges will be paid by the State until the standard of performance is met.
- g. When a system involves on-line machines, which are remote to the basic installation, the required effectiveness level shall apply separately to each component in the system.
- h. Promptly upon successful completion of the performance period, the State shall notify the Contractor in writing of acceptance of the equipment and authorize the monthly payments to begin on the first day of the successful performance period.
- i. If successful completion of the performance period is not attained within 90 days of the installation date, the State shall have the option of terminating the Contract, or continuing the performance tests. The State's option to terminate the contract shall remain in effect until such time as a successful completion of the performance period is attained. The Contractor shall be liable for all outbound preparation and shipping costs for contracted items returned under this clause.
- j. The PARE will be complete when the equipment has met the required effectiveness level for the prescribed time period.

#### **2.106 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 State requests or directs the Contractor to perform any Services/Deliverables that are outside the scope of the Contractor's responsibilities under the Contract ("New Work"), the Contractor must notify the State promptly, and before commencing performance of the requested activities, that it believes the requested activities are New Work. If the Contractor fails to notify the State before commencing performance of the requested activities, any such activities performed before notice is given by the Contractor shall be conclusively considered to be in-scope Services/Deliverables, not New Work.

If the State requests or directs the Contractor to perform any services or provide deliverables that are consistent with and similar to the Services/Deliverables being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the Statements of Work, then before performing such services or providing such deliverables, the Contractor shall notify the State in writing that it considers the services or deliverables to be an Additional Service/Deliverable for which the Contractor should receive additional compensation. If the Contractor does not so notify the State, the Contractor shall have no right to claim thereafter that it is entitled to additional compensation for performing

that service or providing that deliverable. If the Contractor does so notify the State, then such a service or deliverable shall be governed by the Change Request procedure in this Section.

In the event prices or service levels are not acceptable to the State, the Additional Services or New Work shall be subject to competitive bidding based upon the specifications.

(a) Change Requests

(i) State Requests

If the State should require Contractor to perform New Work, Additional Services or make changes to the Services that would affect the Contract completion schedule or the amount of compensation due Contractor (a "Change"), the State shall submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a "Change Request").

(ii) Contractor Recommendations

Contractor shall be entitled to propose a Change to the State, on its own initiative, should it be of the opinion that this would benefit the Contract.

(iii) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor's proposal will include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.

(iv) By giving Contractor written notice within a reasonable time, the State shall 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 shall be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").

(v) No proposed Change shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice.

(vi) If the State requests or directs Contractor to perform any activities that Contractor believes constitute a Change, Contractor must notify the State that it believes the requested activities are a Change prior to commencing the performance of the requested activities. If Contractor fails to so notify the State prior to commencing performance of the requested activities, such activities shall be considered to be performed gratuitously by Contractor, and Contractor shall not have any right thereafter to assert any claim for additional compensation or time for the performance of such activities. If Contractor commences performance of gratuitous services outside the scope of this Contract and subsequently elects to stop performing such out-of-scope services, Contractor must, at the request of the State, back out or reverse any changes resulting from such performance that would adversely affect the Contract.

## **2.107 Management Tools**

Contractor will use an automated tool for planning, monitoring and tracking the Contract's progress. In addition, Contractor shall use automated project management tools as reasonably necessary to perform the Services, which tools shall include the capability to produce through the end of the Contract: (i) staffing tables with names of personnel assigned to Contract tasks, (ii) project plans showing tasks, subtasks, Deliverables and the resources required and allocated to each (including detailed plans for all Services to be performed within the next sixty (60) days, updated semi-monthly) and (iii) graphs showing critical events, dependencies and decision points during the course of the Contract. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State's standard to the extent such information is described with reasonable detail in the Statements of Work and to the extent the related work is of sufficient project complexity and duration to warrant such reporting.

## **2.110 Records and Inspections**



### **2.111a Records and Inspections**

(a) **Inspection of Work Performed.** The State's authorized representatives shall at all reasonable times and with ten (10) days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and shall have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon ten (10) Days prior written notice and at all reasonable times, the State's representatives shall be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that such 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.

(b) **Examination of Records.** Contractor agrees that the State, including its duly authorized representatives, until the expiration of seven (7) years following the creation of the material (collectively, the "Audit Period"), shall, upon twenty (20) days prior written notice, have access to and the right to 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, including the State's procurement rules, regulations and procedures, and actual performance of the Contract for the purpose of conducting an audit, examination, excerpt and/or transcription but the State shall not have access to any information deemed confidential to Contractor to the extent such access would require such 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.

(c) **Retention of Records.** Contractor shall maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract in accordance with generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records shall 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.

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

### **2.112 Errors**

(a) If the audit demonstrates any errors in the statements provided to the State, then the amount in error shall 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) quarterly statements. If a balance remains after four (4) quarterly statements, then the remaining amount will be due as a payment or refund within forty-five (45) days of the last quarterly statement 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 ten percent (10%), then the Contractor shall pay all of the reasonable costs of the audit.

### **2.120 State Responsibilities**

#### **2.121 State Performance Obligations**

(a) **Equipment and Other Resources.** To facilitate Contractor's performance of the Services/Deliverables, the State shall provide to Contractor such equipment and resources as identified in the Statements of Work or other Contract Exhibits as items to be provided by the State.

(b) **Facilities.** The State shall designate space as long as it is available and as provided in the Statement of Work, to house Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). Contractor shall have reasonable access to, and unless agreed otherwise by the parties in writing shall observe and comply with all rules and

regulations relating to, each of the State Facilities (including hours of operation) used by Contractor in the course of providing the Services. Contractor agrees that it will not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for Contractor's use, or to which Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

(c) Return. Contractor shall be responsible for returning 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.

(d) Except as otherwise provided in **Section 2.220**, the State's failure to perform its responsibilities as set forth in this Contract shall not be deemed to be grounds for termination by Contractor. However, Contractor will not be liable for any default or delay in the performance of its obligations under this Contract to the extent such default or delay is caused by nonperformance of the State's obligations under this Contract, provided Contractor provides the State with reasonable written notice of such nonperformance and Contractor uses commercially reasonable efforts to perform notwithstanding the State's failure to perform. In addition, if the State's nonperformance of its responsibilities under this Contract materially increases the time required for Contractor's performance or Contractor's cost of performance, Contractor shall be entitled to seek an equitable extension via the Change Request process described in **Section 2.106**.

## **2.130 Security**

### **2.131 Background Checks**

The Contractor shall authorize the investigation of its personnel proposed to have access to State facilities and systems on a case by case basis. 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. Such 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.

All Contractor personnel will also be expected to comply with the State's security and acceptable use policies for State IT equipment and resources. See <http://www.michigan.gov/dit-service/0,1607,7-179-25781-73760--00.html>. Furthermore, Contractor personnel will be expected to agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. It is expected the Contractor will present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff will be expected to comply with all Physical Security procedures in place within the facilities where they are working.

### **2.140 Reserved**

### **2.150 Confidentiality**

#### **2.151 Freedom of Information**

All information in any proposal submitted to the State by Contractor and this Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, et seq (the "FOIA").

#### **2.152 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 shall 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 shall mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State pursuant to applicable federal, state and local laws

and regulations) or which, in the case of tangible materials provided to Contractor by the State pursuant to its performance under this Contract, is marked as confidential, proprietary or with a similar designation by the State. In the case of information of either Contractor or the State "Confidential Information" shall exclude any information (including this Contract) that is publicly available pursuant to the Michigan FOIA.

### **2.153 Protection of Confidential Information**

The State and Contractor will 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 this 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 will limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access in order to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) such disclosure is necessary or otherwise naturally occurs in connection with work that is within such 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 such Confidential Information from unauthorized use or disclosure.

### **2.154 Exclusions**

Notwithstanding the foregoing, the provisions of this Section 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 such 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 this Section will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose such 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 such disclosure as reasonably requested by the furnishing party.

### **2.155 No Implied Rights**

Nothing contained in this Section shall 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.

### **2.156 Remedies**

Each party acknowledges that, if it breaches (or attempts or threatens to breach) its obligations under this Section, the other party may be irreparably harmed. Accordingly, if a court of competent jurisdiction should find that a party has breached (or attempted or threatened to breach) any such obligations, the non-breaching party shall be entitled to seek an injunction preventing such breach (or attempted or threatened breach).

### **2.157 Security Breach Notification**

In the event of a breach of this Section, Contractor 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. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor shall 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 ten (10) days of becoming aware of such use or disclosure or such shorter time period as is reasonable under the circumstances.

## **2.158 Survival**

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

## **2.159 Destruction of Confidential Information**

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

## **2.160 Proprietary Rights**

### **2.161a Software Ownership**

## **Software License**

Contractor grants to the State a non-exclusive, royalty-free, site-wide, irrevocable, transferable license to use the Software and related documentation according to the terms and condition of this Contract. For the purpose of this license, "site-wide" includes any MDOC office regardless of its physical location.

The State may modify the Software and may combine such with other programs or materials to form derivative work. The State will own and hold all copyright, trademark, patent and other intellectual property rights in any derivative work, excluding any rights or interest in Software other than those granted in this Contract.

The State may copy each item of Software to multiple hard drives or networks.

The State will make and maintain no more than one archival copy of each item of Software, and each copy will contain all legends and notices and will be subject to the same conditions and restrictions as the original. The State may also make copies of the Software in the course of routine backups of hard drive(s) for the purpose of recovery of hard drive contents.

In the event that the Contractor shall, for any reason, cease to conduct business, or cease to support the Software, the State shall have the right to convert these licenses into perpetual licenses, with right of quiet enjoyment, but subject to payment obligation not to exceed the then current rates.

## **Source Code Escrow**

- a) Definition. "Source Code Escrow Package" shall mean:
  - a. A complete copy in machine-readable form of the source code and executable code of the Licensed Software including any updates or new releases of the project.
  - b. A complete copy of any existing design documentation and user documentation, including any updates or revisions; and/or
  - c. Complete instructions for compiling and linking every part of the source code into executable code for purposes of enabling verification of the completeness of the source code as provided below. Such instructions shall include precision identifications of all compilers, library packages, and linkers used to generate executable code.
- b) Delivery of Source Code into Escrow. Contractor shall deliver a Source Code Escrow Package in the Escrow Agent, pursuant to the Escrow Contract, which shall be entered into on commercially reasonable terms subject to the provision of this contract within thirty (30) days of the execution of this Contract.

- c) Delivery of New Source Code into Escrow. If at anytime during the term of this Contract, the Contractor provides a maintenance release or upgrade version of the License Software, Contractor shall within ten (10) days deposit with the Escrow Agent, in accordance with the Escrow Contract, a Source Code Escrow Package for the maintenance release or upgrade version, and provide the State with notice of the delivery.
- d) Verification. The State reserves the right at any time, but not more than once year, either itself or through a third part contractor, upon thirty (30) days written notice, to seek verification of the Source Code Escrow Package.
- e) Escrow Fees. The Contractor will pay all fees and expenses charged by the Escrow Agent.
- f) Release Events. The Source Code Escrow Package may be released from escrow to the State, temporarily or permanently, upon the occurrence of one or more of the following.
  - a. The Contractor becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition of bankruptcy, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under bankruptcy or insolvency law, whether domestic or foreign:
  - b. The Contractor has wound up or liquidated its business voluntarily or otherwise and the State has reason to believe that such events will cause the Contractor to fail to meet its warranties and maintenance obligations in the foreseeable future.
  - c. The Contractor voluntarily or otherwise discontinues support of the provided products or fails to support the products in accordance with its maintenance obligations and warranties.
- g. Release Event Procedures. If the State desires to obtain the Source Code Escrow Package from the Escrow Agent upon the occurrence of an Event in Section 6, then;
  - a. The State shall comply with all procedures in the Escrow Contract.
  - b. The State shall maintain all materials and information comprising the Source Code Escrow Package in confidence in accordance with this contract.
  - c. If the release is a temporary one, then the State shall promptly return all released materials to Contractor when the circumstances leading to the release are no longer in effect.
- h. License. Upon release from the Escrow Agent pursuant to an event described in Section 6, the Contractor automatically grants the State a non-exclusive, irrevocable license to use, reproduce, modify, maintain, support, update, and have made, and created Derivative Works. Further, the State shall have the right to use the Source Code Escrow Package in order to maintain and support the License Software so that it can be used by the State as set forth in this Contract.
- i. Derivative Works. Any Derivative Works to the source code released from escrow, which are made by or on behalf of the State, shall be the sole property of the State. The State acknowledges that its ownership rights are limited solely to the Derivative Works and do not include any ownership rights in the underlying source code.

**Vesting of Rights.** With the sole exception of any preexisting licensed works identified in **Exhibit J**, the Contractor shall assign, 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 such Deliverable, by operation of law, may not be considered work made for hire by the Contractor for the State. From time to time upon State's request, the Contractor and/or its personnel shall confirm such assignment by execution and delivery of the assignments, confirmations of assignment, or other written instruments as the State may request. The State shall have the right to obtain and hold in its own name all copyright, trademark, and patent registrations and other evidence of rights that may be available for Deliverables.

## **2.161b Cross-License.**

License to the Contractor. The State grants to the Contractor, the royalty-free, world-wide, non-exclusive right and license under any Deliverable now or in the future owned by the State, or with respect to which the State has a right to grant such rights or licenses, to the extent required by the Contractor to market the Deliverables and exercise its full rights in the Deliverables, including, without limitation, the right to make, use and sell products and services based on or incorporating such Deliverables.

## **2.161c COTS License**

Contractor grants to the State a non-exclusive, royalty-free, site-wide, irrevocable, license to use the Software and related documentation according to the terms and conditions of this Contract. For the purposes of this license, "site-wide" includes any State of Michigan office regardless of its physical location.

The State may modify the Software and may combine such with other programs or materials to form a derivative work. The State will own and hold all copyright, trademark, patent and other intellectual property rights in any derivative work, excluding any rights or interest in Software other than those granted in this Contract.

The State may copy each item of Software to multiple hard drives or networks unless otherwise agreed by the parties.

The State will make and maintain no more than one archival copy of each item of Software, and each copy will contain all legends and notices and will be subject to the same conditions and restrictions as the original. The State may also make copies of the Software in the course of routine backups of hard drive(s) for the purpose of recovery of hard drive contents.

In the event that the Contractor shall, for any reason, cease to conduct business, or cease to support the Software, the State shall have the right to convert these licenses into perpetual licenses, with rights of quiet enjoyment, but subject to payment obligations not to exceed the then current rates.

#### **2.162 Reserved.**

#### **2.163 Rights in Data**

(a) The State will be and remain the owner of all data made available by the State to Contractor or its agents, Subcontractors or representatives pursuant to the Contract. Contractor will 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 Contractor, nor will any employee of Contractor other than those on a strictly need to know basis have access to the State's data. Contractor will not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, Contractor shall only use personally identifiable information as strictly necessary to provide the Services and shall disclose such information only to its employees who have a strict need to know such information. Contractor shall comply at all times with all laws and regulations applicable to such personally identifiable information.

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

#### **2.164 Ownership of Materials**

State and 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.

#### **2.165 Standard Software**

If applicable and necessary, all Standard Software used in performing the Services shall be provided to the State under a separate license agreement between the State and the owner (or authorized licensor) of such software. Standard Software to be licensed to the State is listed in **Exhibit J**.

#### **2.166 Pre-existing Materials for Custom Software Deliverables**

Neither Contractor nor any of its Subcontractors shall incorporate any preexisting materials (including Standard Software) into Custom Software Deliverables or use any pre-existing materials to produce Custom Software Deliverables if such pre-existing materials will be needed by the State in order to use the Custom Software Deliverables unless (i) such pre-existing materials and their owners are identified to the State in writing and (ii) such pre-existing materials are either readily commercially available products for which Contractor or its Subcontractor, as the case may be, has obtained a license (in form and substance approved by the State) in the name of the State, or are materials that Contractor or its Subcontractor, as the case may be, has the right to license to the State and has licensed to the State on terms and conditions approved by the State prior to using such pre-existing materials to perform the Services.

## **2.167 General Skills**

Notwithstanding anything to the contrary in this Section, each party, its Subcontractors and their personnel shall be free to use and employ its and their general skills, know-how and expertise, and to use, disclose and employ any generalized ideas, concepts, know-how, methods, techniques or skills gained or learned during the course of performing the Services, so long as it or they acquire and apply the foregoing without disclosure of any confidential or proprietary information of the other party.

## **2.170 Warranties And Representations**

### **2.171 Warranties and Representations**

The Contractor represents and warrants:

- (a) It is capable in all respects of fulfilling and shall fulfill all of its obligations under this Contract. The performance of all obligations under this Contract shall be provided in a timely, professional, and workman-like manner and shall meet the performance and operational standards required under this Contract.
- (b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.
- (c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under this Contract, nor their use by the State, will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
- (d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to such items in this Contract, Contractor shall assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
- (e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (f) It is qualified and registered to transact business in all locations where required.
- (g) Neither the Contractor nor any Affiliates, nor any employee of either, has, shall have, or shall acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor shall notify the State within two (2) days of any such interest that may be incompatible with the interests of the State.

(h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or shall accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor shall not attempt to influence any State employee by the direct or indirect offer of anything of value.

(i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or such Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.

(j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.

(k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by such financial statements, reports, other information. Since the respective dates or periods covered by such financial statements, reports, or other information, there have been no material adverse change in the business, properties, financial condition, or results of operations of Contractor.

(m) All written information furnished to the State by or behalf of Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make such information not misleading.

(n) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or such department within the previous five (5) years for the reason that Contractor failed to perform or otherwise breached an obligation of such contract.

## **2.172 Software Warranties**

### **(a) Performance Warranty**

The Contractor represents and warrants that Deliverables, after Final Acceptance, will perform and operate in compliance with the requirements and other standards of performance contained in this Contract (including all descriptions, specifications and drawings made a part of the Contract) for a period of **ninety (90)** days. In the event of a breach of this warranty, Contractor will promptly correct the affected Deliverable(s) at no charge to the State.

### **(b) No Surreptitious Code Warranty**

The Contractor represents and warrants that no copy of licensed Software provided to the State contains or will contain any Self-Help Code or any Unauthorized Code as defined below. This warranty is referred to in this Contract as the "No Surreptitious Code Warranty."

As used in this Contract, "Self-Help Code" means any back door, time bomb, drop dead device, or other software routine designed to disable a computer program automatically with the passage of time or under the positive control of a person other than the licensee of the software. Self-Help Code does not include Software routines in a computer program, if any, designed to permit an owner of the



computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

As used in this Contract, "Unauthorized Code" means any virus, Trojan horse, spyware, worm or other Software routines or components designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data; or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code. Unauthorized Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

In addition, Contractor will use up-to-date commercial virus detection software to detect and remove any viruses from any software prior to delivering it to the State.

(c) Calendar Warranty

The Contractor represents and warrants that all software for which the Contractor either sells or licenses to the State of Michigan and used by the State prior to, during or after the calendar year 2000, includes or shall include, at no added cost to the State, design and performance so the State shall not experience software abnormality and/or the generation of incorrect results from the software, due to date oriented processing, in the operation of the business of the State of Michigan.

The software design, to insure calendar year rollover compatibility, shall include, but is not limited to: data structures (databases, data files, etc.) that provide 4-digit date century; stored data that contain date century recognition, including, but not limited to, data stored in databases and hardware device internal system dates; calculations and program logic (e.g., sort algorithms, calendar generation, event recognition, and all processing actions that use or produce date values) that accommodates same century and multi-century formulas and date values; interfaces that supply data to and receive data from other systems or organizations that prevent non-compliant dates and data from entering any State system; user interfaces (i.e., screens, reports, etc.) that accurately show 4 digit years; and assurance that the year 2000 shall be correctly treated as a leap year within all calculation and calendar logic.

(d) Third-party Software Warranty

The Contractor represents and warrants that it will disclose the use or incorporation of any third-party software into the Deliverables. At the time of Delivery, the Contractor shall provide in writing the name and use of any Third-party Software, including information regarding the Contractor's authorization to include and utilize such software. The notice shall include a copy of any ownership agreement or license that authorizes the Contractor to use the Third-party Software.

## **2.173 Equipment Warranty**

To the extent Contractor is responsible under this Contract for providing equipment/system(s), Contractor represents and warrants that it will maintain such equipment/system(s) in good operating condition and will undertake all repairs and preventive maintenance in accordance with the applicable manufacturer's recommendations for the period specified in this Contract.

The Contractor represents and warrants that the equipment/system(s) shall be in good operating condition and shall operate and perform to the requirements and other standards of performance contained in this Contract, when installed, at the time of Final Acceptance by the State, and for a period of one (1) year commencing upon the first day following Final Acceptance.

Within two (2) business days of notification from the State, the Contractor shall adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor shall assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

The Contractor shall provide a toll-free telephone number to allow the State to report equipment failures and problems to be remedied by the Contractor.

The Contractor agrees that all warranty service it provides under this Contract shall be performed by original equipment manufacturer (OEM) trained, certified and authorized technicians.

The Contractor shall act as the sole point of contact for warranty service. The Contractor warrants that it shall pass through to the State any and all warranties obtained or available from the original equipment manufacturer, including any replacement, upgraded, or additional equipment warranties.

All warranty work shall be performed on the State of Michigan worksite(s).

#### **2.174 Physical Media Warranty**

(a) Contractor represents and warrants that each licensed copy of the Software provided by the Contractor is free from physical defects in the media that tangibly embodies the copy. This warranty does not apply to defects discovered more than thirty (30) days after that date of Final Acceptance of the Software by the State. This warranty does not apply to defects arising from acts of Excusable Failure. If the Contractor breaches this warranty, then the State shall be entitled to replacement of the non-compliant copy by Contractor, at Contractor's expense (including shipping and handling).

#### **2.175a DISCLAIMER**

THE FOREGOING EXPRESS WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES AND EACH PARTY EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

#### **2.176 Consequences For Breach**

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section, such breach may be considered as a default in the performance of a material obligation of this Contract.

#### **2.180 Insurance**

##### **2.181 Liability Insurance**

(a) Liability Insurance

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether such 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 pursuant to this Contract.

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

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

The insurers selected by Contractor shall have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if such ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in this Contract shall be issued by companies that have been approved to do business in the State. See [http://www.mi.gov/cis/0,1607,7-154-10555\\_22535---.00.html](http://www.mi.gov/cis/0,1607,7-154-10555_22535---.00.html).

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

Before the Contract is signed by both parties or before the purchase order is issued by the State, the Contractor must furnish to the Director of Acquisition Services, certificate(s) of insurance verifying insurance coverage ("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) shall contain a provision indicating that coverages afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for ten (10) days for non-payment of premium, having been given to the Director of Acquisition Services, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected and be mailed to: Director, Acquisition Services, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909. Failure to provide evidence of coverage, may, at the State's sole option, result in this Contract's termination.

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  
\$500,000 Fire Damage Limit (any one fire)

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSURED(S) 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 this 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(S) 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 in accordance with 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 shall 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 one million dollars (\$1,000,000.00) with a maximum deductible of fifty thousand dollars (\$50,000.00).

☐ 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$10,000,000.00), which shall 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: three million dollars (\$3,000,000.00) each occurrence and three million dollars (\$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 this Contract, and the equipment, software and other contents of such office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to the replacement value thereof, where such office space and its contents are under the care, custody and control of Contractor. Such policy shall 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 shall be endorsed on the policy as a loss payee as its interests appear.

(b) Subcontractors

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor shall require all of its Subcontractors under this 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(s) shall fully comply with the insurance coverage required in this Section. Failure of Subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

(c) Certificates of Insurance and Other Requirements

Contractor shall furnish to the Office of Acquisition Services certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor shall 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.

Contractor shall maintain all required insurance coverage throughout the term of the Contract and any extensions thereto and, in the case of claims-made Commercial General Liability policies, shall secure tail coverage for at least three (3) years following the expiration or termination for any reason of this Contract. The

minimum limits of coverage specified above are not intended, and shall not be construed, to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor shall be responsible for all deductibles with regard to such insurance. If Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, at the State's election (but without any obligation to do so) after the State has given Contractor at least thirty (30) days written notice, the State may pay such premium or procure similar insurance coverage from another company or companies; and at the State's election, the State may deduct the entire cost (or part thereof) from any payment due Contractor, or Contractor shall pay the entire cost (or any part thereof) upon demand by the State.

## **2.190 Indemnification**

### **2.191 Indemnification**

#### **(a) General Indemnification**

To the extent permitted by law, the Contractor shall 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 this 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.

#### **(b) Code Indemnification**

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

#### **(c) Employee Indemnification**

In any and all 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 shall 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.

#### **(d) Patent/Copyright Infringement Indemnification**

To the extent permitted by law, the Contractor shall 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 such 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 such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such 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 shall at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such 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 such 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 shall have 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; or (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 this Contract.

### **2.192 Continuation of Indemnification Obligations**

The Contractor's duty to indemnify pursuant to 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 prior to expiration or cancellation.

### **2.193 Indemnification Procedures**

The procedures set forth below shall apply to all indemnity obligations under this Contract.

(a) After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Contractor of such 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 Contractor shall relieve Contractor of its indemnification obligations except to the extent that Contractor can demonstrate damages attributable to such failure. Within ten (10) days following receipt of written notice from the State relating to any claim, Contractor shall 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 prior to the State receiving Contractor's Notice of Election, the State shall be entitled to defend against the claim, at Contractor's expense, and Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during such period.

(b) If Contractor delivers a Notice of Election relating to any claim: (i) the State shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim and to monitor and advise the State about the status and progress of the defense; (ii) Contractor shall, at the request of the State, demonstrate to the reasonable satisfaction of the State, Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) Contractor shall periodically advise the State about the status and progress of the defense and shall obtain the prior written approval of the State before entering into any settlement of such claim or ceasing to defend against such claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State shall have the right, at its own expense, to control the defense of that portion of such claim involving the principles of Michigan governmental or public law. Notwithstanding the foregoing, the State may retain control of the defense and settlement of a claim by written notice to Contractor given within ten (10) days after the State's receipt of Contractor's information requested by the State pursuant to clause (ii) of this paragraph if the State determines that Contractor has failed to demonstrate to the reasonable satisfaction of the State Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State of Michigan, or any of its subdivisions pursuant to this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State pursuant to 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 shall have the right to defend the claim in such 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 shall promptly reimburse the State for all such reasonable costs and expenses.

### **2.200 Limits of Liability and Excusable Failure**

#### **2.201 Limits of Liability**

The Contractor's liability for damages to the State shall be limited to two times the value of the Contract or \$200,000, which ever is higher. The foregoing limitation of liability shall 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 this 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 this Contract.

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

Neither the Contractor nor the State shall be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability shall 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 this 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 this Contract.

#### **2.202 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 such default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, 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 such party; provided the non-performing party and its Subcontractors are without fault in causing such default or delay, and such 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.

In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay and provided further that such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay Contractor's performance of the Services/provision of Deliverables for more than ten (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 shall not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance shall continue; (b) the State may terminate any portion of the Contract so affected and the charges payable there under shall 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 Contractor, except to the extent that the State shall pay for Services/Deliverables provided through the date of termination.

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.

#### **2.203 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 this Contract will provide the State with priority service for repair and work around in the event of a natural or manmade disaster.

## **2.210 Termination/Cancellation by the State**

The State may terminate this Contract without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents and employees for any of the following reasons:

### **2.211 Termination for Cause**

(a) In the event that Contractor breaches any of its material duties or obligations under this Contract, which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the State (such time period not to be less than thirty (30) days), or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of termination to Contractor, terminate this Contract in whole or in part, for cause, as of the date specified in the notice of termination.

(b) In the event that this Contract is terminated for cause, in addition to any legal remedies otherwise available to the State by law or equity, Contractor shall be responsible for all costs incurred by the State in terminating this 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 this Contract from other sources. Re-procurement costs shall not be considered by the parties to be consequential, indirect or incidental damages, and shall not be excluded by any other terms otherwise included in this Contract, provided such costs are not in excess of fifty percent (50%) more than the prices for such Service/Deliverables provided under this Contract.

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

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

### **2.212 Termination for Convenience**

The State may terminate this Contract for its convenience, in whole or part, if the State determines that such a termination is in the State's best interest. Reasons for such termination shall 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 this Contract for its convenience, in whole or in part, by giving Contractor written notice at least thirty (30) days prior to the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause shall cease on the effective date of the termination.

### **2.213 Non-Appropriation**

(a) Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State shall have the right to terminate this 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 shall give Contractor at least thirty (30) days advance written notice of termination for non-appropriation or unavailability (or such time as is available if the State receives notice of the final decision less than thirty (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 made available, the State may, upon thirty (30) days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in such manner and for such periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of such reduction.

(c) In the event the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor pursuant to this Section, the State shall 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. For the avoidance of doubt, this Section will not preclude Contractor from reducing or stopping Services/Deliverables and/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.

#### **2.214 Criminal Conviction**

The State may terminate this 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 incident to the application for, or performance of, a State, public or private Contract or subcontract; convicted of a criminal offense, including any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State reflects upon Contractor's business integrity.

#### **2.215 Approvals Rescinded.**

The State may terminate this Contract without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. 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 such written notice.

#### **2.216 Rights and Obligations Upon Termination**

(a) If this Contract is terminated by the State for any reason, Contractor shall (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 this 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) in the event that the Contractor maintains title in Deliverables that is intended to be transferred to the State at the termination of the Contract, Contractor will 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 shall be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of such items included compensation to Contractor for the provision of warranty services in respect of such 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) In the event the State terminates this Contract prior to its expiration for its own convenience, the State shall pay Contractor for all charges due for Services provided prior to the date of termination and, if applicable, as a separate item of payment pursuant to this 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 pursuant to this Contract shall, at the option of the State, become the State's property, and Contractor shall be entitled to receive equitable fair compensation for such Deliverables. Regardless of the basis for the termination, the State shall not be 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 shall have the right to assume, at its option, any and all subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

### **2.217 Reservation of Rights**

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

### **2.218 Contractor Transition Responsibilities**

In the event this contract is terminated, for convenience or cause, dissolved, voided, rescinded, nullified, expires or is otherwise 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. In the event of termination or the expiration of this Contract, 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 ninety (90) days. These efforts shall include, but are not limited to, the following:

(a) Personnel - The Contractor shall 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 shall 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 this 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 will notify all of Contractor's subcontractors of procedures to be followed during transition.

(b) Information - 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 this Contract. The Contractor will provide the State with asset management data generated from the inception of this Contract through the date on which this Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor will deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

(d) Software. - The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Contract. This shall include any documentation being used by the Contractor to perform the Services under this Contract. If the State transfers any software licenses to the Contractor, those licenses shall, upon expiration of the Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

(e) Payment - If the transition results from a termination for any reason, reimbursement shall be governed by the termination provisions of this 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 specified by **Exhibit D**. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

### **2.219 State Transition Responsibilities**

In the event that this 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.

### **2.220 Termination by Contractor**

If the State materially breaches its obligation to pay Contractor undisputed amounts due and owing under this Contract in accordance with **Section 2.090**, or if the State breaches its other obligations under this Contract to

an extent that makes it impossible or commercially impractical for Contractor to perform the Services, and if the State does not cure the breach within the time period specified in a written notice of breach provided to the State by Contractor (such time period not to be less than thirty (30) days), then Contractor may terminate this Contract, in whole or in part based on Statement of Work for cause, as of the date specified in the notice of termination; provided, however, that Contractor must discharge its obligations under **Section 2.250** before any such termination.

## **2.230 Stop Work**

### **2.231 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 ninety (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 shall be specifically identified as such and shall indicate that it is issued under this **Section 2.230**. Upon receipt of the stop work order, Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of 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 shall either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.210**.

### **2.232 Cancellation or Expiration of Stop Work Order**

If a stop work order issued under this **Section 2.230** is canceled or the period of the stop work order or any extension thereof expires, Contractor shall resume work. The parties shall agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract shall 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 thirty (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 will conform to the requirements of **Section 2.106**.

### **2.233 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, such termination shall be deemed to be a termination for convenience under **Section 2.212**, and the State shall allow reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State shall not be liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.230**.

## **2.240 Reserved**

## **2.250 Dispute Resolution**

### **2.251 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 shall 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 shall submit a letter executed by Contractor's Contract Administrator or his 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 supporting data provided with such an affidavit are current and complete to Contractor's best knowledge and belief.

### **2.252 Informal Dispute Resolution**

(a) All operational disputes between the parties shall be resolved under the Contract Management procedures developed pursuant to **Section 2.100**. If the parties are unable to resolve any disputes after compliance with such processes, the parties shall meet with the Director of Acquisition Services,

DMB, or designee, for the purpose of attempting to resolve such dispute without the need for formal legal proceedings, as follows:

- (i) The representatives of Contractor and the State shall meet as often as the parties reasonably deem necessary in order 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 shall 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 party to another for non-privileged information reasonably related to the Contract will 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 sixty (60) calendar days, the Director of Acquisition Services, DMB, or designee, shall issue a written opinion regarding the issue(s) in dispute within thirty (30) calendar days. The opinion regarding the dispute shall be considered the State's final action and the exhaustion of administrative remedies.
- (b) This **Section 2.250** will 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 pursuant to **Section 2.253**.
- (c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work pursuant to the Contract.

### **2.253 Injunctive Relief**

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.252** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is such that the damages to such 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.

### **2.254 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 shall not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.210** and **2.220**, as the case may be.

### **2.260 Federal and State Contract Requirements**

#### **2.261 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, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required pursuant to 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.

#### **2.262 Unfair Labor Practices**

Pursuant to 1980 PA 278, MCL 423.231, *et seq.*, the State shall 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 pursuant to 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, shall not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, subsequent to 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.

### **2.263 Workplace Safety and Discriminatory Harassment**

In performing Services for the State, the Contractor shall 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 shall 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>.

## **2.270 Litigation**

### **2.271 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 thereto, to which Contractor (or, to the extent Contractor is aware, any Subcontractor hereunder) 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 hereunder; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor hereunder by a governmental or public entity arising out of their business dealings with governmental or public entities. Any such litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") must be disclosed in a written statement to the Contract Administrator within thirty (30) days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated as such. 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. In the event that any such Proceeding disclosed to the State pursuant to this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:

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

(A) Contractor and/or its Subcontractors hereunder will be able to continue to perform this Contract and any Statements of Work in accordance with its terms and conditions, and

(B) Contractor and/or its Subcontractors hereunder have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in such Proceeding.

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

(1) Within thirty (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 shall notify the Office of Acquisition Services.

(2) Contractor shall also notify the Office of Acquisition Services within thirty (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 shall also notify Acquisition Services within thirty (30) days whenever changes to company affiliations occur.

## **2.272 Governing Law**

The Contract shall in all respects be governed by, and construed in accordance with, 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.

## **2.273 Compliance with Laws**

Contractor shall comply with all applicable state, federal, and local laws and ordinances ("Applicable Laws") in providing the Services/Deliverables.

## **2.274 Jurisdiction**

Any dispute arising from the Contract shall 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 such jurisdiction on the grounds of lack of personal jurisdiction of such court or the laying of venue of such 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.

## **2.280 Environmental Provision**

### **2.281 Environmental Provision**

For the purposes of this Section, "Hazardous Materials" is a generic term used to describe asbestos, ACBMs, PCBs, petroleum products, such construction materials as paint thinners, solvents, gasoline, oil, etc., and any other material the manufacture, use, treatment, storage, transportation or disposal of which is regulated by the federal, state or local laws governing the protection of the public health, natural resources or the environment. This includes, but is not limited to, materials such as batteries and circuit packs, and other materials that are regulated as (1) "Hazardous Materials" under the Hazardous Materials Transportation Act, (2) "chemical hazards" under the Occupational Safety and Health Administration standards, (3) "chemical substances or mixtures" under the Toxic Substances Control Act, (4) "pesticides" under the Federal Insecticide Fungicide and Rodenticide Act, and (5) "hazardous wastes" as defined or listed under the Resource Conservation and Recovery Act. This Contract does not cover the handling, removal, or disposal of all Hazardous Materials.

(a) The Contractor shall use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material in accordance with all federal, State and local laws. The State shall provide a safe and suitable environment for performance of Contractor's Work. Prior to the commencement of Work, the State shall advise Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of such Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor shall immediately stop all affected Work, give written notice to the State of the conditions encountered, and take appropriate health and safety precautions.

(b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State shall order a suspension of Work in writing. The State shall proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State shall terminate the affected Work for the State's convenience.

(c) Once the Hazardous Material has been removed or rendered harmless by the State, the affected Work shall be resumed as directed in writing by the State. Any determination by the Michigan Department of Community Health and/or the Michigan Department of Environmental Quality (whichever is applicable) that the Hazardous Material has either been removed or rendered harmless shall be binding upon the State and Contractor for the purposes of resuming the Work.

(d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor shall bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material in accordance with Applicable Laws to the condition approved by applicable regulatory agency(ies). If the

Contractor fails to take appropriate action pursuant to Applicable Laws and consistent with the State requirements, then the State may take appropriate action.

## **2.290 General**

### **2.291 Amendments**

The Contract may not be modified, amended, extended, or augmented, except by a writing executed by the parties.

### **2.292 Assignment**

(a) Neither party shall have the right to assign the Contract, or to 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 such affiliate is adequately capitalized and can provide adequate assurances that such affiliate can perform the Contract. Any purported assignment in violation of this Section shall be null and void. It is the policy of the State of Michigan to withhold consent from proposed assignments, subcontracts, or novations when such 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. In the event of any such permitted assignment, Contractor shall not be relieved of its responsibility to perform any duty imposed upon it herein, and the requirement under the Contract that all payments shall be made to one entity shall continue.

### **2.293 Entire Contract; 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 such subject matter and as additional terms and conditions on the purchase order shall apply as limited by **Section 2.061**.

(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 **Sections 2.110 through 2.220** of the Contract, which may be modified or amended only by a formal Contract amendment.

### **2.294 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.

### **2.295 Relationship of the Parties (Independent Contractor Relationship)**

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 shall be or shall be deemed to be an employee, agent or servant of the State for any reason. Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

### **2.296 Notices**

(a) Any notice given to a party under the Contract shall be deemed effective, if addressed to such party as addressed below, 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 (3rd) 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.

State:

State of Michigan  
Office of Acquisition Services  
Attention: Lisa Morrison  
PO Box 30026  
530 West Allegan  
Lansing, Michigan 48909

with a copy to:

State of Michigan  
Department of Information Technology  
Attention: Mark Lawrence  
Constitution Hall, Atrium - South Tower  
525 W. Allegan  
Atrium - South Tower  
Lansing, Mi. 48913

Contractor(s):

Name Dave Wells  
Address 5148 US 31 N.  
Williamsburg, MI 49690

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

(b) Binding Commitments

Representatives of Contractor identified in **Exhibit I** shall have the authority to make binding commitments on Contractor's behalf within the bounds set forth in such table. Contractor may change such representatives from time to time upon written notice.

## **2.297 Media Releases and Contract Distribution**

(a) Media Releases

Neither Contractor nor the State will make any news releases, public announcements or public disclosures, nor will they have any conversations with representatives of the news media, pertaining to the Contract, the Services or the Contract without the prior written approval of the other party, and then only in accordance with explicit written instructions provided by that party. In addition, neither Contractor nor the State will use the name, trademarks or other proprietary identifying symbol of the other party or its affiliates without such party's prior written consent. Prior written consent of the Contractor must be obtained from authorized representatives.

(b) Contract Distribution

Acquisition Services shall retain the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Acquisition Services.

## **2.298 Reformation and Severability**

Each provision of the Contract shall be deemed to be severable from all other provisions of the Contract and, if one or more of the provisions of the Contract shall be declared invalid, the remaining provisions of the Contract shall remain in full force and effect.

## **2.299 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, such consent or approval shall be in writing and shall not be unreasonably withheld or delayed.

## **2.300 No Waiver of Default**



The failure of a party to insist upon strict adherence to any term of the Contract shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term, or any other term, of the Contract.

### **2.301 Survival**

Any provisions of the Contract that impose continuing obligations on the parties including the parties' respective warranty, indemnity and confidentiality obligations, shall 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.

### **2.302 Covenant of Good Faith**

Each party agrees that, in its dealings with the other party or in connection with the Contract, it shall act reasonably and in good faith. Unless stated otherwise in the Contract, the parties will 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.

### **2.303 Permits**

Contractor shall 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 shall pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

### **2.304 Website Incorporation**

State expressly states that it will not be 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 such content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representation of the State.

### **2.305 Taxes**

Contractor will collect and pay all applicable federal, state, and local employment taxes, including applicable use taxes.

The State may refuse to award a future contract to any Contractor who has failed to pay any applicable State taxes. The State may refuse to award a future contract if Contractor has any outstanding debt with the State. Prior to any future award, the State will verify whether Contractor has any outstanding debt with the State.

### **2.306 Prevailing Wage**

The rates of wages and fringe benefits to be paid each class of individuals employed by the Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this Contract in privity of contract with the Contractor shall not be less than the wage rates and fringe benefits established by the Michigan Department of Labor and Economic Development, Wage and Hour Bureau, schedule of occupational classification and wage rates and fringe benefits for the local where the work is to be performed. The term Contractor shall include all general contractors, prime contractors, project managers, trade contractors, and all of their contractors or subcontractors and persons in privity of contract with them.

The Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this contract in privity of contract with the Contractor shall keep posted on the work site, in a conspicuous place, a copy of all wage rates and fringe benefits as prescribed in the contract. The Contractor must also post, in a conspicuous place, the address and telephone number of the Michigan Department of Labor and Economic Development, the office responsible for enforcement of the wage rates and fringe benefits. The Contractor shall keep an accurate record showing the name and occupation of the actual wage and benefits paid to each individual employed in connection with this contract. This record shall be available to the State upon request for reasonable inspection.

If any trade is omitted from the list of wage rates and fringe benefits to be paid to each class of individuals by the Contractor, it is understood that the trades omitted shall also be paid not less than the wage rate and fringe benefits prevailing in the local where the work is to be performed.

### **2.307 Call Center Disclosure**

Contractor and/or all subcontractors involved in the performance of this Contract providing call or contact center services to the State must disclose the location of its call or contact center services to inbound callers. Failure to disclose this information shall be a material breach of this Contract.

### **2.308 Future Bidding Preclusion**

Contractor acknowledges that, to the extent this 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 leading edge on the competitive RFP.

### **2.310 Reserved**

### **2.320 Extended Purchasing**

#### **2.321 MiDEAL**

Public Act 431 of 1984 permits DMB to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. A current listing of approved program members is available at: <http://www.michigan.gov/doingbusiness/0,1607,7-146-6586-16656--,00.html>. Unless otherwise stated, it is the responsibility of the Contractor to ensure that the non-state agency is an authorized purchaser before extending the Contract pricing.

The Contractor will supply Contract Services and equipment at the established State of Michigan contract prices and terms to the extent applicable and where available. Inasmuch as these are non-state agencies, all invoices will be submitted to and payment remitted by the local unit of government on a direct and individual basis.

To the extent that authorized local units of government purchase quantities of Services and/or equipment under this Contract, the quantities of Services and/or equipment purchased will be included in determining the appropriate rate wherever tiered pricing based on quantity is provided.

#### **2.322 Reserved.**

Exhibit A  
Statement(s) of Work

See Article 1. Additional Statement(s) of Work may be added by the mutual agreement of the parties.

## Exhibit B Pricing

### Exhibit B Pricing

The following are the tentative cost proposals for the MPRI project over **5 years**. We are providing the cost breakdown using two formats – the format grids provided in the RFP and a line item budget that may offer more specifics to the costing. Costing is tentative based on final discussions and agreed upon scope of services desired by MDOC.

#### Line Item Budget Breakdown

##### Year One (not to exceed)

- |    |  |          |
|----|--|----------|
| 1. | COMPAS Software Licensing (unlimited server/seat/concurrent use) | \$30,000 |
|----|--|----------|

The Vendor shall provide the Department with an unlimited usage license for the COMPAS software during the first year of the project.

- |    |                                       |           |
|----|---------------------------------------|-----------|
| 2. | Software Maintenance and User Support | No Charge |
|----|---------------------------------------|-----------|

The Vendor shall provide for on-going technical support of the COMPAS software on ly via internet, phone, mail and on-site visits as necessary to include addressing any software bugs, fixes, enhancements and updates. The Department will be responsible for the maintenance of the COMPAS database and all hardware and system platform support.

- |    |   |          |
|----|---|----------|
| 3. | Project Management and Implementation Support | \$60,000 |
|----|---|----------|

The Vendor shall provide to the Department on-going project management and implementation support during the first year regarding the COMPAS project to include strategic planning, project coordination, scheduling, problem solving, implementation assistance, on-site meetings, pilot test design and coordination, software installation, etc. The VENDOR will also provide technical assistance via responding to telephone or written communication from the Department and facilities/agencies utilizing the risk and needs instrument.

- |    |  |          |
|----|--|----------|
| 4. | Training and Train the Trainer User Manual Masters | \$25,000 |
|----|--|----------|

The Vendor shall provide up to 3 2-day on-site training seminars to Department administrators, managers and line staff to include preparation for the pilot study and initial use of the COMPAS instruments and software including a training seminar provided after the pilot study in preparation for initial use of COMPAS within the Department. A COMPAS User Guide will be developed and delivered to the Department by the Vendor after the pilot study and prior to routine Phase 2 use of COMPAS to assist Department COMPAS users in understanding COMPAS, test administration, assessment interpretation and integration of the a sssessment results into case plans and supervision assignments. The VENDOR shall also develop, using existing material, a train-the-trainers curriculum and manual for use by Department trainers to assist in the transition of COMPAS training being provided by the Vendor to being provided by Department training staff.

- |    |                        |          |
|----|------------------------|----------|
| 5. | Software Customization | \$25,000 |
|----|------------------------|----------|

During the project's first year the Vendor will provide for initial customization, with approval by the Department, of the COMPAS software to meet the initial needs of the Department consistent with early project design, planning meetings and the results of the pilot study. The primary emphasis will be on providing a COMPAS

solution that meets the Department's initial technical requirements and business rules of its users consistent with both initial project design meetings and the first process and quality control evaluation after the pilot study.

6. Research, Data Analysis, Validation \$35,000

The Vendor shall, as part of the pilot study: collect the completed COMPAS assessments from the pilot sites; provide for data preparation, coding, cleaning; conduct reliability assessments; local norming and calibration; test typologies (male/female); perform; conduct reliability and validation studies (concurrent validity); develop scales (COMPAS Re-Entry) for use with longer term prison inmates. The Vendor shall provide a written technical report to the Department at the conclusion of this study.

7. Optional - Software Interface to OMNI \$15,000

The Vendor shall provide technical support to assist in developing an interface between COMPAS and the Department's OMNI management information systems as determined appropriate by the Department.

8. Media \$3,000

The Vendor shall be reimbursed for any materials necessary in the preparation of user handouts, training manuals, copies, etc.

**Year One Total (not to exceed) \$193,000**

**Year Two (not to exceed)**

1. COMPAS Software Licensing (unlimited server/seat/concurrent use) \$35,000

The Vendor shall provide the Department with an unlimited usage license for the COMPAS software during the first year of the project.

2. Software Maintenance and User Support \$10,000

The Vendor shall provide for on-going technical support of the COMPAS software only via internet, phone, mail and on-site visits as necessary to include addressing any software bugs, fixes, enhancements and updates. The Department will be responsible for the maintenance of the COMPAS database and all hardware and system platform support.

3. Project Management and Implementation Support \$60,000

The Vendor shall provide to the Department on-going project management and implementation support during the second year of the COMPAS project to include further strategic planning, project coordination, scheduling, problem solving, implementation assistance, on-site meetings, and the rolling out of COMPAS to additional project sites. The VENDOR will also provide technical assistance via responding to telephone or written communication from the Department and facilities/agencies utilizing the risk and needs instrument.

4. Training and Train the Trainer User Manual Masters \$15,000

One train-the-trainers program will be provided one time only in a two to three day training. The Vendor shall also provide assistance to the MDOC train the trainers for up to 4 2-day on-site training seminars to Department administrators, managers and line staff as COMPAS is rolled out to additional facilities/agencies in support of the use of the COMPAS instruments and software including additional training seminars for the initial pilot sites as determined appropriate.

5. Software Customization \$25,000

During the project's second year the Vendor will provide for further customization of the COMPAS software to meet the on-going needs of the Department. The primary emphasis will be on providing a COMPAS solution that meets the Department's on-going technical requirements and business rules of its users consistent with the second process and quality control evaluations.

6. Research, Data Analysis, Validation \$40,000

The VENDOR shall provide the Department with a 12 month analysis report of the outcomes evaluation of case information from the original pilot sites within the fourth quarter of the second project year. The study will include: The collection of the case outcomes data with assistance from the Department; predictive validity scale development, perform statistical analysis on initial outcomes data (both technical violations, new arrests and program participation); compare typologies to outcomes, male/female, agency, etc; review cutting point rules/guidelines; conduct initial survival analysis; design initial automated case management matching/fit of the COMPAS offender profile to link program/supervision recommendations "What Works "; modify the COMPAS scales in the software as necessary.

7. Media \$1,000

The Vendor shall be reimbursed for any materials necessary in the preparation of user handouts, training manuals, copies, etc.

**Year Two Total (not to exceed) \$186,000**

**Year Three (not to exceed)**

1. COMPAS Software Licensing (unlimited server/seat/concurrent use) \$35,000

The Vendor shall provide the Department with an unlimited usage license for the COMPAS software during the first year of the project.

2. Software Maintenance and User Support \$12,000

The Vendor shall provide for on-going technical support of the COMPAS software only via internet, phone, mail and on-site visits as necessary to include addressing any software bugs, fixes, enhancements and updates. The Department will be responsible for the maintenance of the COMPAS database and all hardware and system platform support.

3. Project Management and Implementation Support \$35,000

The Vendor shall provide to the Department on-going project management and implementation support during the third year of the COMPAS project to include further strategic planning, project coordination, scheduling, problem solving, implementation assistance, on-site meetings, and the rolling out of COMPAS to any additional project sites. The VENDOR further agrees to provide technical assistance via responding to telephone or written communication from the Department and facilities/agencies utilizing the risk and needs instrument

4. Software Customization \$25,000

During the project's third year the Vendor will provide for further customization of the COMPAS software to meet the on-going needs of the Department as determined appropriate by the Department consistent with on-going process and quality control evaluations.

5. Research, Data Analysis, 24 Month Outcomes Study, Scale Refinement \$52,000

The VENDOR shall provide the Department with a 24 month analysis report of the outcome evaluation of case information from assessments conducted on parolees who have been on the street a minimum of 12 and up to

24 months. This study will be completed within the fourth quarter of the third project year. The study will include: The collection of the case outcomes data with assistance from the Department; predictive validity scale development, perform statistical analysis on initial outcomes data (both technical violations, new arrests and program participation); compare typologies to outcomes, male/female, agency, etc; review cutting point rules/guidelines; conduct further survival analysis; refine the automated case management matching/fit of the COMPAS offender profile to link program/supervision recommendations "What Works" as needed; modify the COMPAS scales in the software as necessary and perform additional software customization as required.

6. Media \$1,000

The Vendor shall be reimbursed for any materials necessary in the preparation of user handouts, training manuals, copies, etc.

**Year Three Total (not to exceed) \$160,000**

**Year Four**

1. COMPAS Software Licensing (unlimited server/seat/concurrent use) \$60,000

The Vendor shall provide the Department with an unlimited usage license for the COMPAS software during the fourth year of the project.

2. Software Maintenance and User Support \$14,000

The Vendor shall provide for on-going technical support of the COMPAS software only via internet, phone, mail and on-site visits as necessary to include addressing any software bugs, fixes, enhancements and updates. The Department will be responsible for the maintenance of the COMPAS database and all hardware and system platform support.

**Year Four Total \$74,000**

**Year Five**

1. COMPAS Software Licensing (unlimited server/seat/concurrent use) \$66,000

The Vendor shall provide the Department with an unlimited usage license for the COMPAS software during the fourth year of the project.

2. Software Maintenance and User Support \$16,000

The Vendor shall provide for on-going technical support of the COMPAS software only via internet, phone, mail and on-site visits as necessary to include addressing any software bugs, fixes, enhancements and updates. The Department will be responsible for the maintenance of the COMPAS database and all hardware and system platform support.

**Year Five Total \$82,000**

**Total Five Year Project (not to exceed) \$695,000**

The vendor must provide the number of releases scheduled per year.

The vendor must provide the date of the next major release and provide the cost to configure a major release based on historical data.

All scheduled releases must be delivered to the State within three months of the scheduled release date. Service Level Agreement: If the release is not received within three months and 14 calendar days from the scheduled release date, there will be a \$500 penalty imposed in the form of a credit to the maintenance costs.





Exhibit C  
Organizational Chart, including Key Personnel

Exhibit D  
Labor Rates

1) Project Management, Implementation and Training

**Engineer level:** Advanced Engineers, Project Managers, Specialized Risk Assessment & Criminal Justice Trainers, Advanced Computer Technicians

- \$125/hr

2) Research & Development and Software Customization

**Engineer level:** Staff PhD's, Masters Level Research Support Staff, and Advanced Computer Technicians

- \$140/hr

3) Software Maintenance

**Engineer Level:** Computer Technician Support Staff

- \$118.25/hr

4) Trainers

**Engineer Level:** Computer Technician Support Staff and Specialized Training Associates

- \$110/hr

5) Media

**Engineer Level:** Support Staff

- \$75/hr

Exhibit E  
Approved Subcontractors

**Public Policy Associates, Inc.**

**Jeff Padden, President  
119 Pere Marquette  
Lansing, MI 48912  
517-485-4477**

Public Policy Associates will assist Northpointe in Project Coordination. Specifically in assisting in monitoring the agency, Northpointe and other key stakeholders progress in meeting tasks and timeframes. They will participate in all appropriate meetings and project communication. They will assist Northpointe staff in scheduling meetings, coordinating services and general communications with project and agency personnel.

Exhibit F  
Approved Hardware

**See 1.103 Technical Environment**

Exhibit G  
Deliverables

Milestones	Deliverables	Acceptance Criteria
Phase 1 – pre-implementation \$ 25,000.00 (est. completion 5/15/06)	Optimal design  Training plan  Pilot test procedures  Project monitoring procedures	reviewed and approved by SOM (DIT / DOC Project Manager)
Phase 1 – implementation pilot sites \$ 30,000.00 (est. completion 7/15/06)	Performance specifications for assessment instrument report  Pilot site training  Software installation  Sampling procedures  Quality control procedures	reviewed and approved by SOM (DIT / DOC Project Manager)
Phase 1 – data analysis \$ 30,000.00 (est completion 10/31/06)	Data analysis plan  Initial process evaluation report (initial report on implementation, reliability, and installation)	reviewed and approved by SOM (DIT / DOC Project Manager)
Phase 1 – validation study complete report \$ 35,000.00 (est completion date 11/30/06)	Validation study report	reviewed and approved by SOM (DIT / DOC Project Manager)
Phase 1 – OMNI Interface \$ 15,000.00 (est completion 9/30/06)	Interface specs and design	reviewed and approved by SOM (DIT / DOC Project Manager)
Phase 1 – Pilot implementation \$ 35,000.00 (est completion 2/15/07)	Train the trainer manual  Train the trainor workshop  Install Compass at additional phase II sites	reviewed and approved by SOM (DIT / DOC Project Manager)
<b>Sub-total, \$ 170,000.00</b>		
Phase 2 & 3 – site implementation (est. completion 5/15/07)	Install Compass software in remaining sites  train the trainor  Second process evaluation report	reviewed and approved by SOM (DIT / DOC Project Manager)
<b>Sub-total, \$ 50,000.00</b>		
Phase 2 & 3 – first status report for the 12 months outcome tracking (est. completion 8/15/07) Payment \$ 30,000.00	Status report on each element of the Statistical analysis on initial outcomes report	reviewed and approved by SOM (DIT / DOC Project Manager)
Phase 2 & 3 – second status report for the 12 months outcome tracking (est. completion 11/15/07) Payment \$ 30,000.00	Status report on each element of the Statistical analysis on initial outcomes report	reviewed and approved by SOM (DIT / DOC Project Manager)

Phase 2 & 3 – 12 months outcome tracking (est. completion 2/15/08) Payment \$ 37,000.00	Statistical analysis on initial outcomes report	reviewed and approved by SOM (DIT / DOC Project Manager)
<b>Sub-total, \$ 97,000.00</b>		
Phase 4 – 24 month outcome tracking (est. completion 5/15/08), 1 <sup>st</sup> status report Payment \$ 15,000.00	Status report on each element of the 24 Month Outcome Study (final report on validity of final risk, needs and strengths instrument)	reviewed and approved by SOM (DIT / DOC Project Manager)
Phase 4 – 24 month outcome tracking (est. completion 8/15/08), 2 <sup>nd</sup> status report Payment \$ 15,000.00	Status report on each element of the 24 Month Outcome Study (final report on validity of final risk, needs and strengths instrument)	reviewed and approved by SOM (DIT / DOC Project Manager)
Phase 4 – 24 month outcome tracking (est. completion 11/30/08), 3 <sup>rd</sup> status report Payment \$ 20,000.00	Status report on each element of the 24 Month Outcome Study (final report on validity of final risk, needs and strengths instrument)	reviewed and approved by SOM (DIT / DOC Project Manager)
<b>Sub-total, \$ 50,000.00</b>		
Phase 4 – 24 month outcome tracking (est. completion 2/28/09)	24 Month Outcome Study (final report on validity of final risk, needs and strengths instrument)	reviewed and approved by SOM (DIT / DOC Project Manager)
<b>Sub-total, \$ 50,000.00</b>		
<b>Software maintenance</b>		
Beginning of year 2 – software maintenance Payment \$ 10,000.00	Maintenance agreement is delivered	reviewed and approved by SOM (DIT / DOC Project Manager)
Beginning of year 3 – software maintenance Payment \$ 12,000.00	Maintenance agreement is delivered	reviewed and approved by SOM (DIT / DOC Project Manager)
Beginning of year 4 – software maintenance Payment \$ 14,000.00	Maintenance agreement is delivered	reviewed and approved by SOM (DIT / DOC Project Manager)
Beginning of year 5 – software maintenance Payment \$ 16,000.00	Maintenance agreement is delivered	reviewed and approved by SOM (DIT / DOC Project Manager)
<b>Sub-total of maintenance, \$ 52,000.00</b>		
<b>Software licences</b>		
Beginning of year 1 – software license Payment \$ 30,000.00	Software license is delivered to the State	reviewed and approved by SOM (DIT / DOC Project Manager)
Beginning of year 2 – software license Payment \$ 35,000.00	Software license is delivered to the State	reviewed and approved by SOM (DIT / DOC Project Manager)
Beginning of year 3 – software license Payment \$ 35,000.00	Software license is delivered to the State	reviewed and approved by SOM (DIT / DOC Project Manager)
Beginning of year 4 – software license Payment \$ 60,000.00	Software license is delivered to the State	reviewed and approved by SOM (DIT / DOC Project Manager)
Beginning of year 5 – software license Payment \$ 66,000.00	Software license is delivered to the State	reviewed and approved by SOM (DIT / DOC Project Manager)
<b>Sub-total of licenses, \$ 226,000.00</b>		
<b>Total \$ 695,000.00</b>		

Exhibit H  
Project Plan

## Tentative - *Michigan MDOC MPRI Project Gantt Chart - Major Tasks and Timeframes*

Task	Start Date	Stop Date
<b>Contract Signing</b>	<b>3/15/2006</b>	<b>3/15/2006</b>
<b>Project Phase 1 Implementation</b> <span style="float: right;">Pre-</span>	<b>3/15/06</b>	<b>5/15/06</b>
<b>Kick-off Strategic Planning Meeting and Initial Training for Main Stakeholders</b>  <u><b>Mobilize Project Support</b></u> <ul style="list-style-type: none"> <li>Finalize what agencies will collaborate</li> <li>Identify key stakeholders in each Pilot Test Agency/Site</li> <li>Identify key decision points for each site</li> <li>Identify justification/rationale and mobilization Issues for this project</li> <li>Obtain consensus on "Benefits" sought by a new Risk Assessment tool</li> </ul>	3/15/06 to 4/15/06	
<u><b>Formation of Action Teams</b></u> <ul style="list-style-type: none"> <li>Identify Implementation Teams for each Local Agency</li> <li>Identify staff from each site the project will need to collaborate with</li> <li>Identify local "Contact person/Leader" for each agency</li> <li>Differentiate program procedures in each site</li> </ul>		
<u><b>Build an Optimal Design</b></u> <ul style="list-style-type: none"> <li>Obtain consensus on performance and design requirements for the new system</li> <li>Discuss the "information needs" at each decision point</li> <li>Consensus on final set of Needs/Risk Factors</li> <li>Finalize outcomes measures</li> </ul>		
<u><b>Planning for the Pilot Sites Test Design</b></u> <ul style="list-style-type: none"> <li>Overview of the pilot test procedure</li> <li>Develop project monitoring procedures</li> <li>Discuss pilot site training logistics</li> </ul>		
<b>Finalize performance specifications for assessment instrument (report) and, Modify COMPAS Instrument(s) to Address Pilot Design Needs</b>	<b>4/01/06</b>	<b>5/15/06</b>

<b>Task</b>	<b>Start Date</b>	<b>Stop Date</b>
<b>Implementation – Pilot Sites</b>	<b>5/15/2006</b>	<b>8/31/2006</b>
Pilot site training and software installation	5/15/06	6/15/06
Develop sampling procedures – sample size		
Initiate quality control procedures for data collection		
Finalize procedures for submitting data to Northpointe		
Conduct agency site pilot tests – data collection	6/15/06	8/31/06
<b>Finish Pilot Test Data Collection</b>		<b>8/31/2006</b>
<b>Data Analysis</b>	<b>9/01/2006</b>	<b>11/15/2006</b>
Northpointe data preparation, coding, cleaning	9/01/06	9/15/06
Conduct reliability assessment	9/15/06	11/15/06
Local norming and calibration		
Develop typologies (male/female)		
Perform analysis and comparisons between pilot test sites		
Conduct validation studies (concurrent validity)		
Conduct Initial Post Pilot Process Evaluation (report)	9/01/06	10/15/06
<b>Prepare and Submit Report – On-Site Presentation</b>		<b>11/30/06</b>
<b>Interface COMPAS to OMNI Case Management System - <u>Optional</u></b>	<b>07/01/2006</b>	<b>10/31/2006</b>
Develop interface specifications document	6/01/06	6/30/06
Design interface	7/01/06	8/15/06
Pilot interface at selected test site(s)	8/15/06	9/15/06
Refine interface as needed	9/15/06	9/31/06
Implement interface project-wide	10/01/06	10/31/06
<b>Post Initial Testing/Pilot Implementation</b>	<b>12/01/06</b>	<b>1/31/2007</b>
Make COMPAS software modifications/refinements	12/01/06	1/15/07
Calibrate local norms in software(if applicable)		
Review cutting points and decision rules	1/01/07	1/31/07
Develop Train the Trainer Manual Guide	10/01/06	12/31/06



<b>Task</b>	<b>Start Date</b>	<b>Stop Date</b>
<b>Project Phase 2 and 3 Roll Out COMPAS to Remaining Sites</b>	<b>1/01/2007</b>	<b>3/31/2007</b>
<b>Phase 2 Site Implementation:</b>		
Install COMPAS in remaining sites	1/01/07	2/28/07
Conduct Train the Trainer Training	1/01/07	1/31/07
Bring Phase 2 sites on-line with COMPAS. Site training and software installation (in-house trainers with assistance from Northpointe as appropriate)	2/01/07	3/31/07
Conduct 2 <sup>nd</sup> Process Evaluation on Selected Phase 2 sites	5/01/07	6/15/07
<b>12 Month Outcomes Tracking</b>	<b>9/01/2007</b>	<b>2/28/2008</b>
Collect outcomes data	9/01/2007	10/15/2007
Predictive validity scale development - Perform statistical analysis on initial outcomes data (both technical violations, new arrests and program participation)	10/15/07	1/31/08
Compare typologies to outcomes, male/female, agency, etc.		
Reconsider cutting points		
Explore the automated matching/fit of offender profile to program recommendations "What Works"		
Conduct survival analysis		
Modify the COMPAS scales in the software as necessary	1/31/08	2/28/08
<b>Prepare and Submit Outcomes (Final) Report – On-site Presentation</b>		<b>2/28/2008</b>
<b>Project Phase 4 On-going Support and Maintenance</b>	<b>3/1/2008</b>	<b>4/1/2011</b>
<b>24 Month Outcomes Tracking</b>	<b>9/01/2007</b>	<b>2/28/2008</b>
Collect outcomes data	9/01/2008	10/15/2008
Predictive validity scale development - Perform statistical analysis on initial outcomes data (both technical violations, new arrests and program participation)	10/15/08	1/31/09
Compare typologies to outcomes, male/female, agency, etc.		
Reconsider cutting points		
Explore the automated matching/fit of offender profile to program recommendations "What Works"		
Conduct survival analysis		
Modify the COMPAS scales in the software as necessary	1/31/09	2/28/09
<b>Prepare and Submit 2<sup>nd</sup> Outcomes Report – On-site Presentation</b>		<b>2/28/2009</b>

Exhibit I  
Binding Commitments

**TECHNICAL EVALUATION SUMMARY**

<b>APPENDIX 7</b>				
<b>RFP Page Number</b>	<b>Requirement</b>	<b>Contractor's Complies (Yes or No)</b>	<b>Contractor's Complies with Modification</b>	<b>Contractor's Response Page Number</b>
<b>7,8,9</b>	Does the instrument cover all relevant criminogenic domains, includes those specifically listed in the Request for Proposal?	<b>YES</b>		
<b>12-15</b>	Can the vendor document the specific procedures, theories and criteria utilized to select domains, risk factors and strengths to be including the coverage of the instrument?	<b>YES</b>		
<b>6</b>	Does the instrument incorporate offender strengths (protective factors) into the overall assessment of risk and needs?	<b>YES</b>		
<b>9-18</b>	Can the vendor document the exact method for determining the relationship between assessed needs and strengths and the assessment of risk?	<b>YES</b>		
<b>Appendix 5,6,7</b>	Can the vendor cite specific evidence/research that supports the face, content, construct and predictive validity of the instrument?	<b>YES</b>		
<b>Appendix 5,6,7</b>	Can the vendor provide evidence/research demonstrating the psychometric properties of the instrument?	<b>YES</b>		

<b>APPENDIX 7</b>				
<b>RFP Page Number</b>	<b>Requirement</b>	<b>Contractor's Complies (Yes or No)</b>	<b>Contractor's Complies with Modification</b>	<b>Contractor's Response Page Number</b>
<b>39-45</b>	Is there evidence/research that establishes the reliability of the instrument for repeated measures?	<b>YES</b>		
<b>Appendix 5</b>	Is there evidence/research that establishes the reliability of the instrument for discrete categories of offenders?	<b>YES</b>		
<b>25,29,30</b>	Does the vendor propose to norm the instrument for the Michigan offender population?	<b>YES</b>		
<b>25,29,30</b>	Will the instrument be normed for separate subpopulations of Michigan offenders? e.g. males v. females, violent v non- violent, younger vs older?	<b>YES</b>		
<b>45</b>	Is the instrument capable of measuring changes in risk factors, needs, strengths and risk?	<b>YES</b>		
<b>33,34,45</b>	Can the instrument incorporate specific measures of the impact of treatment, programs and offender behavior on needs, strengths and risk?	<b>YES</b>		
<b>46,47</b>	Can the instrument be enhanced as assessment requirements change over time?	<b>YES</b>		
<b>Appendix 1,2</b>	Does the instrument have scalability?	<b>YES</b>		
<b>31,36</b>	Is case planning integrated into the instrument and process?	<b>YES</b>		
<b>Appendix 1</b>	Can the instrument incorporate the results of more in depth topic specific assessments into the measurement of needs, strengths and risk?	<b>YES</b>		
<b>18,30,31</b>	Can the instrument be used to facilitate structured decision making?	<b>YES</b>		
<b>44</b>	Can the instrument be adapted to utilize existing automated data base information from MDOC or other partnering agencies?	<b>YES</b>		
	Does the vendor recognize MDOC ownership of data and assessment outcome information?	<b>YES</b>		

<b>APPENDIX 7</b>				
<b>RFP Page Number</b>	<b>Requirement</b>	<b>Contractor's Complies (Yes or No)</b>	<b>Contractor's Complies with Modification</b>	<b>Contractor's Response Page Number</b>
<b>9</b>	Does the vendor provide information on time required for practitioners to	<b>YES</b>		

	conduct an assessment?			
<b>40,41</b>	Does the vendor provide information on training and/or qualifications needed for staff administering the instrument?	<b>YES</b>		
<b>40,41</b>	Does the vendor's proposal include start up training for staff involved in Phase I implementation of the instrument?	<b>YES</b>		
<b>40</b>	Does vendor's proposal include "train the trainer" training to support expansion of the use of the assessment instrument?	<b>YES</b>		
<b>50-54</b>	Does the vendor indicate the minimum desktop configuration required to support the application i.e., memory requirements, processor requirements, etc?	<b>YES</b>		
<b>50-54</b>	Does the vendor indicate the application will support Window NT and Windows XP desktop computer operating systems?	<b>YES</b>		
<b>50-54</b>	Does the vendor indicate what type of database issued to support this application, if any?	<b>YES</b>		
<b>50-54</b>	Does the vendor outline the server hardware needed to support this database?	<b>YES</b>		
<b>50-54</b>	Does the vendor indicate whether Citrix required to run this application?	<b>YES</b>		
<b>50-54</b>	Does the vendor indicate the minimum network configuration necessary to run this application, i.e., T1, 786K, 512K etc.?	<b>YES</b>		

APPENDIX 7				
RFP Page Number	Requirement	Contractor's Complies (Yes or No)	Contractor's Complies with Modification	Contractor's Response Page Number
1,2 Exhibit C	<b>CORPORATE QUALIFICATIONS , STABILITY AND EXPERIENCE</b> PROVIDE A NARRATIVE DISCUSSING THE BACKGROUND, RESOURCES, AND EXPERIENCES UPON WHICH THE BIDDER SHALL DRAW TO EFFECTIVELY EXECUTE THE REQUIREMENTS OF THIS RFP.	YES		
1,2 Exhibit C	<b>Corporate Background.</b> A brief history of the firm to include organization and structure of the firm. Additionally, the bidder must demonstrate financial stability of their firm. References must be supplied. The same information should be included for all sub-contractor relationships proposed by the bidder.	YES		
Exhibit C	<b>Corporate Resources.</b> The firm's total resources in terms of number and employees by major classification and job title, educational profile of the staff, skill profile of the staff including certifications, availability of qualified staff, and facilities necessary to support the RFP (ex: Training Facilities, or hardware lab).	YES		
1-4	<b>Relevant Corporate Experience.</b> Summaries of the firm's recent experience in performing work for industry, Federal and State Governments and the State of Michigan similar to that described in Section II of the RFP. Corporate experience information submitted must be that of the Bidder or Subcontractors to the Bidder. The bidder must supply a minimum of five (5) references from organizations where the type of work identified in this RFP is currently underway or has been completed, along with pertinent information describing these projects in sufficient detail so the State is aware of similar work your company has performed.	YES		

APPENDIX 7				
RFP Page Number	Requirement	Contractor's Complies (Yes or No)	Contractor's Complies with Modification	Contractor's Response Page Number
Exhibit H	<b>Corporate commitment to quality.</b> This may be in the form of sample documents from the bidder's quality program; implementation schedule and implementation plan, if quality program is being implemented; or study documents, including time schedule showing the bidder's intention to begin implementation of a quality program in the near future.	YES		
Exhibit E	LIST ALL SUBCONTRACTORS; INCLUDE FIRM NAME AND ADDRESS, CONTACT PERSON, COMPLETE DESCRIPTION OF WORK TO BE SUBCONTRACTED. INCLUDE SIMILAR INFORMATION CONCERNING SUBCONTRACTOR'S ORGANIZATION AND ABILITIES AS DESCRIBED ABOVE IN 1, 2, 3, 4, AND 5.	YES		
Appendix 8	PROVIDE A COPY OF THE FIRM'S MOST RECENT FINANCIAL REPORT(S) INCLUDING BUT NOT LIMITED TO THE FIRM'S LAST ANNUAL REPORT OR OTHER SIMILAR DOCUMENTS WHICH INCLUDES COPIES OF THE FIRM'S BALANCE SHEET, INCOME STATEMENT, STATEMENT OF CASH FLOWS ETC. THE FIRM SHALL ALSO PROVIDE THE SAME INFORMATION FOR ALL PROPOSED SUBCONTRACTORS TO BE USED FOR THIS CONTRACT.	YES		

APPENDIX 7				
RFP Page Number	Requirement	Contractor's Complies (Yes or No)	Contractor's Complies with Modification	Contractor's Response Page Number
Exhibit C Cover Letter	Provide resumes in the format described below for the Project Manager responsible for overall management of this Statewide Contract and for reach Account/Customer Representative to be assigned to the State. These responsibilities are defined in Section II. Please provide examples of where this person(s) performed similar responsibilities at <b>other customer sites</b> .	YES		
Exhibit C	PROVIDE AT LEAST THREE (3) STAFF RESUMES IN THE FORMAT DESCRIBED BELOW FOR EACH OF THE SERVICE AREAS WITHIN EACH OF THE CATEGORIES YOU WISH TO BE CONSIDERED FOR. REPRESENTATIVE RESUMES SHALL BE PROVIDED FOR EACH SKILL LEVEL OF PERSONNEL FOR EACH OF THE CATEGORIES OF SERVICES BEING BID. THE RESUMES MUST BE FOR ACTUAL EMPLOYEES OR SUB-CONTRACTORS OF THE BIDDER AS OF THE DATE OF THE PROPOSED SUBMISSION. RESUMES SHOULD BE NO LONGER THAN TWO PAGES IN LENGTH.	YES		
Cover Letter	FOR THE PROJECT MANAGER AND ACCOUNT/CUSTOMER REPRESENTATIVES (ASSIGNED TO THE STATE); SUBMIT CERTIFICATION THAT THE INDIVIDUAL NAMED IS AVAILABLE FOR ASSIGNMENT.	YES		
41,42,56	THE BIDDER MUST DEMONSTRATE THE AVAILABILITY OF QUALIFIED INDIVIDUALS TO ASSURE THAT THE STATE OF MICHIGAN HAS TIMELY ACCESS TO NEEDED RESOURCES. I.E., SUPPORT STAFF MUST BE AVAILABLE TO THE STATE OF MICHIGAN WITHIN THE TIMEFRAME IDENTIFIED WITHIN THE RFP TO FULFILL THEIR SUPPORT OBLIGATIONS.	YES		

APPENDIX 7				
RFP Page Number	Requirement	Contractor's Complies (Yes or No)	Contractor's Complies with Modification	Contractor's Response Page Number
3	FOR TRAINERS, INCLUDE THE NUMBER OF TRAINING HOURS EACH INDIVIDUAL HAS TAUGHT THE CLASSES IDENTIFIED WITHIN THE RFP.	YES		
22-24	<b>UNDERSTANDING AND TECHNICAL APPROACH</b>  DISCUSS THE SCOPE, OBJECTIVES, AND EXPECTED RESULTS OF THIS EFFORT.	YES		
Exhibit H	<b>TECHNICAL APPROACH</b>  THIS APPROACH SHALL INCLUDE THE METHODS TO BE FOLLOWED IN EACH OF THE CATEGORIES, AND THE METHODS PLANNED TO COORDINATE WORK ACTIVITIES BETWEEN THE STATE AND THE BIDDER. SPECIFIC INFORMATION WILL INCLUDE:  <b>Overall Project Management-</b> Demonstrate ability to: PROVIDE ACCOUNT COVERAGE IN A MANNER THAT WILL MEET THE DIVERSE NEEDS OF A STATE GOVERNMENT ORGANIZATION.	YES		
Exhibit H	PROVIDE A DETAILED WORK PLAN FOR THE IMPLEMENTATION AND ON-GOING ADMINISTRATION FOR EACH CATEGORY TO BE BID, AS WELL AS A WORK PLAN FOR HANDLING MULTIPLE CATEGORIES IF YOU INTEND TO BID MORE THAN ONE CATEGORY.	YES		
Cover Letter	<b>BIDDERS AUTHORIZED EXPEDITOR</b> Include the name and telephone number of person(s) in your organization authorized to expedite any proposed contract with the State.	YES		
1-24	<b>ADDITIONAL INFORMATION AND COMMENTS</b> INCLUDE ANY OTHER INFORMATION THAT IS BELIEVED TO BE PERTINENT BUT NOT SPECIFICALLY ASKED FOR ELSEWHERE.	YES		



Exhibit J  
Approved Software

Exhibit K  
Service Level Agreement

Reserved

## **Attachment A**

### **Location**

Robert Scott Correctional Facility  
47500 Five Mile Road  
Plymouth, MI 48170

Charles Egeler Reception and Guidance Center  
3855 Cooper Street  
Jackson, MI 49201

Cooper Street Correctional Facility  
3100 Cooper Street  
Jackson, MI 49201

Huron Valley Complex - Women  
3511 Bemis Road  
Ypsilanti, MI 48197

## ATTACHMENT B

## ATTACHMENT C