



**STATE OF MICHIGAN PROCUREMENT**  
 Department of Treasury  
 430 W Allegan St., Lansing MI 48933

**NOTICE OF CONTRACT**

NOTICE OF CONTRACT NO. 271 220000000805  
 between  
 THE STATE OF MICHIGAN  
 and

<b>CONTRACTOR</b>	The Segal Company (Midwest), Inc. d/b/a Segal
	3001 W Big Beaver Rd., Ste 320
	Troy, MI 48084
	Ted Makowiec
	248.530.6383
	tmakowiec@segalco.com
	CV0001909

<b>STATE</b>	Program Manager	Nick Brousseau	TREAS
		517.241.4234	
	BrousseauN@michigan.gov		
	Contract Administrator	Kyle Elzinga	TREAS
517.614.0956			
ElzingaK1@michigan.gov			

<b>CONTRACT SUMMARY</b>			
<b>DESCRIPTION: Defined Contribution and Auditing &amp; Consulting Services</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
May 10, 2022	May 9, 2025	2, 1-Year	
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45, 5% if paid in 30 days		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Payment Request (PRC) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			
MISCELLANEOUS INFORMATION			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			<b>\$300,000.00</b>

**FOR THE CONTRACTOR:**

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

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

\_\_\_\_\_  
**Authorized Agent** (Print or Type)

\_\_\_\_\_  
**Date**

**FOR THE STATE:**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Name & Title**

\_\_\_\_\_  
**Agency**

\_\_\_\_\_  
**Date**

# STANDARD CONTRACT TERMS

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This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and The Segal Company (Midwest), Inc. d/b/a Segal (“**Contractor**”), a New York Corporation. This Contract is effective on May 10, 2022 (“**Effective Date**”), and unless terminated, expires on May 9, 2025.

This Contract may be renewed for up to two (2) additional 1-year period(s). Renewal is at the sole discretion of the State and will automatically extend the Term of this Contract. The State will document its exercise of renewal options via Contract Change Notice.

The parties agree as follows:

**1. Duties of Contractor.** Contractor must perform the services and provide the Deliverables described in **Schedule A – Statement of Work**, and any subsequent Statements of Work, which will be named sequentially, Schedule A-1, Schedule A-2, etc., and which may further specify services and Deliverables in accordance with Schedule A, (the “**Contract Activities**”). The requirements of Schedule A apply to any subsequent Statement of Work, unless the subsequent Statement of Work expressly states otherwise. An obligation to provide delivery of any commodity is considered a service and is a Contract Activity.

1.1 Statement of Work Requirements. A Statement of Work is not effective unless signed by each party’s Contract Administrator. The term of each Statement of Work will commence on the parties’ full execution of a Statement of Work and terminate when the parties have fully performed their obligations set forth in the Statement of Work. The terms and conditions of this Contract will apply at all times to any Statement of Work entered into by the parties and incorporated into this Contract. The State will have the right to terminate such Statement of Work as set forth in **Section 16**. Contractor acknowledges that time is of the essence with respect to Contractor’s obligations under each Statement of Work and agrees that prompt and timely performance of all such obligations in accordance with this Contract and the Statements of Work is strictly required.

1.2 Contractor must furnish all labor, equipment, materials, and supplies necessary for the performance of the Contract Activities, and meet operational standards, unless otherwise specified in a Statement of Work. All Contract Activities must be delivered as set forth in the applicable Statement of Work.

Contractor must: (a) perform the Contract Activities in a timely, professional, safe, and workmanlike manner consistent with standards in the trade, profession, or industry; (b) meet or exceed the performance and operational standards, and specifications of the Contract; (c) provide all Contract Activities in good quality, with no material defects; (d) not interfere with the State’s operations; (e) obtain and maintain all necessary licenses, permits or other authorizations necessary for the performance of the Contract; (f) cooperate with the State, including the State’s quality assurance personnel, and any third party to achieve the objectives of the Contract; (g) return to the State any State-furnished equipment or other resources in the same condition as when provided when no longer required for the Contract; (h) not make

any media releases without prior written authorization from the State; (i) assign to the State any claims resulting from state or federal antitrust violations to the extent that those violations concern materials or services supplied by third parties toward fulfillment of the Contract; (j) comply with all applicable State physical and IT security policies and standards which will be made available upon request; and (k) provide the State priority in performance of the Contract except as mandated by federal disaster response requirements. Any breach under this paragraph is considered a material breach.

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

**2. Notices.** All notices and other communications required or permitted under this Contract must be in writing and will be considered given and received: (a) when verified by written receipt if sent by courier; (b) when actually received if sent by mail without verification of receipt; or (c) when verified by automated receipt or electronic logs if sent by facsimile or email. Unless due to circumstances out of Contractor’s control, Contractor will provide the State 30 days’ notice before assigning a new Contract Administrator or Program Manager.

If to State:	If to Contractor:
<p><b>Stacey Shaw</b>            7285 Parsons Dr.            Dimondale, MI 48821  <a href="mailto:ShawS11@michigan.gov">ShawS11@michigan.gov</a>            517.420.5328</p>	<p><b>Ted Makowiec</b>            3001 W Big Beaver Rd.,            Ste 320            Troy, MI 48084  <a href="mailto:tmakowiec@segalco.com">tmakowiec@segalco.com</a>            248.530.6383</p>

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

If to State:	If to Contractor:
<p><b>Stacey Shaw</b>            7285 Parsons Dr.            Dimondale, MI 48821  <a href="mailto:ShawS11@michigan.gov">ShawS11@michigan.gov</a>            517.420.5328</p>	<p><b>Ted Makowiec</b>            3001 W Big Beaver Rd.,            Ste 320            Troy, MI 48084  <a href="mailto:tmakowiec@segalco.com">tmakowiec@segalco.com</a>            248.530.6383</p>

**4. Program Manager.** The Program Manager for each party will monitor and coordinate the day-to-day activities of the Contract (each a “Program Manager”). Contractor’s Program Manager must be specifically assigned to the State of Michigan and be able to respond to inquiries regarding the Contract Activities and Deliverables:

If to State:	If to Contractor:
<b>Nick Brousseau</b> 430 W Allegan St. Lansing, MI 48933 BrousseauN@michigan.gov 517.241.4234	<b>Ted Makowiec</b> 3001 W Big Beaver Rd., Ste 320 Troy, MI 48084 <a href="mailto:tmakowiec@segalco.com">tmakowiec@segalco.com</a> 248.530.6383

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

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

Required Limits	Additional Requirements
<b>Commercial General Liability Insurance</b>	
Minimum Limits: \$1,000,000 Each Occurrence \$1,000,000 Personal & Advertising Injury \$2,000,000 General Aggregate \$2,000,000 Products/Completed Operations	Contractor must have their policy endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 04.
<b>Automobile Liability Insurance</b>	
If one or more vehicles are used to perform the Contract Activities, Contractor must maintain motor vehicle liability coverage for bodily injury and property damage as required by law for the term of the Contract.	
<b>Workers' Compensation Insurance</b>	
Minimum Limits: Coverage according to applicable laws governing work activities	Waiver of subrogation, except where waiver is prohibited by law.

<b>Employers Liability Insurance</b>	
Minimum Limits:	
\$500,000 Each Accident	
\$500,000 Each Employee by Disease \$500,000 Aggregate Disease	
<b>Privacy and Security Liability (Cyber Liability) Insurance</b>	
Minimum Limits:	Contractor must have their policy cover information security and privacy liability, privacy notification costs, regulatory defense and penalties, and website media content liability.
\$1,000,000 Each Occurrence \$1,000,000 Annual Aggregate	
<b>Professional Liability (Errors and Omissions) Insurance</b>	
Minimum Limits:	
\$3,000,000 Each Occurrence \$3,000,000 Annual Aggregate	

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

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

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

**7. Conflicts of Interest/Code of Ethics.** If, during the term of this Agreement, the Contractor selects or recommends any investment manager or other service provider for the Client where there exists a compensation or business relationship or arrangement between such investment

manager or service provider and the Contractor, the Contractor will disclose such relationship and any conflicts that may be created. In any situation in which the interests of the State may be in material conflict with the interests of the Contractor or with those of other clients of the Contractor, the Contractor will immediately inform the State of these conflicts.

The Contractor has adopted a written code of ethics and other policies and procedures designed to avoid violations of the Advisers Act. A copy of these policies must be provided to the State upon request.

**8. Deliverables.** The State acknowledges that, in performing the Contract Activities, Contractor will distribute or make available certain proprietary materials ("Contractor's Proprietary Information"), including, but not limited to Manager Research Reports, output from Contractor's investment manager database, software, know-how, techniques, methodologies and report formats. Except as to Contractor's Proprietary Information included therein, all documents, data, and other tangible materials authored or prepared and delivered by Contractor to the State under the terms of this Agreement (collectively, the "Deliverables"), are the sole and exclusive property of the State, once delivered to the State, subject to revocation if the State fails to timely pay undisputed and properly invoiced amounts for the applicable Deliverable. To the extent that Contractor's Proprietary Information is incorporated into such Deliverables, the State will have a perpetual, nonexclusive, worldwide, irrevocable, royalty-free license to use Contractor's Proprietary Information as part of the Deliverables internally and for their "**Intended Purpose**"- meaning in accordance with Contractor's written communication regarding the intended and permissible use for- and restrictions on the use of the Deliverable and/or Contract Activity. Contractor will not have any responsibility or liability for use of any Deliverable in any manner other than for the Intended Purpose.

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

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

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

**12. Background Checks.** Pursuant to Michigan law, all agencies subject to IRS Pub. 1075 are required to ask the Michigan State Police to perform fingerprint background checks on all

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

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

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

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

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

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

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

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

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

**17. Reserved.**

**18. Reserved.**

**19. Reserved.**

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

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

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

**21. Liquidated Damages.** Liquidated damages, if applicable, will be assessed as described in the applicable Statement of Work.

**22. Stop Work Order.** The State may suspend any or all activities under the Contract at any time. The State will provide Contractor a written stop work order detailing the suspension. Contractor must comply with the stop work order upon receipt. Within 90 calendar days, or any

longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate the Contract or delivery order. The State will not pay for Contract Activities, Contractor's lost profits, or any additional compensation during a stop work period.

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

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

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

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

**25. Transition Responsibilities.** Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 90 calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or

employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "Transition Responsibilities"). This Contract will automatically be extended through the end of the transition period.

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

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

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

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

**27. Infringement Remedies.** If, in either party's opinion, any piece of equipment, software, commodity, or service supplied by Contractor or its subcontractors, or its operation, use or reproduction in accordance with the Intended Purpose is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment, software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or

modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

**28. Limitation of Liability and Disclaimer of Damages.** IN NO EVENT WILL THE STATE'S AGGREGATE LIABILITY TO CONTRACTOR UNDER THIS CONTRACT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT, EXCEED THE MAXIMUM AMOUNT OF FEES PAYABLE UNDER THIS CONTRACT. Neither Party will liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.

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

**30. Reserved.**

**31. State Data.**

31.1 Ownership. The State's data ("**State Data**," which will be treated by Contractor as Confidential Information except as otherwise expressly provided in this Section 31.1) includes: (a) the State's data collected, used, processed, stored, or generated as the result of the Contract Activities; (b) personally identifiable information ("**PII**") collected, used, processed, stored, or generated as the result of the Contract Activities, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements here listed; and, (c) personal health information ("**PHI**") collected, used, processed, stored, or generated as the result of the Contract Activities, which is defined under the Health Insurance Portability and Accountability Act (HIPAA) and its related rules and regulations. State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State. Contractor is not required to treat as Confidential Information State Data that is publicly available. This Section survives the termination of this Contract.

31.2 Contractor Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Contract Activities, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Contract Activities. The State will only provide State Data to the extent

requested by Contractor and will not provide any State Data not specifically requested. Contractor must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Contract Activities, such use and disclosure being in accordance with this Contract, any applicable Statement of Work, and applicable law; and (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor's own purposes or for the benefit of anyone other than the State without the State's prior written consent. This Section survives the termination of this Contract.

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

31.4 Backup and Recovery of State Data. Contractor will maintain a reasonable and appropriate business continuity/disaster recovery program, which includes maintaining back-up copies of all information and data stored in its systems, including State Data. Contractor will provide the State with any information it requests related to this program.

31.5 Loss or Compromise of Data. In the event of any act, error or omission, negligence, misconduct, or breach on the part of Contractor that compromises or is reasonably suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor must, as applicable: (a) notify the State as soon as practicable but no later than two (2) business days of becoming aware of such occurrence; (b) reasonably cooperate with the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State; (c) in the case of PII or PHI, at the State's sole election, (i) with approval and assistance from the State, notify the affected individuals who comprise the PII or PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within five (5) calendar days of the occurrence; or (ii) reimburse the State for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twenty-four (24) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) pay for any documented costs associated with the occurrence, including but not limited to any reasonable and documented costs incurred by the State in investigating and resolving the occurrence, including reasonable attorney's fees associated with such investigation and resolution; (g) without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys'

fees, costs, and incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence; (h) assist the State in recreating lost State Data that only exists in Contractor's systems; and (i) provide to the State a detailed plan within thirty (30) calendar days of the occurrence describing the measures Contractor will undertake to prevent a future occurrence. Notification to affected individuals, as described above, must comply with applicable law, be written in plain language, not be tangentially used for any solicitation purposes, and contain, at a minimum: name and contact information of Contractor's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Contractor has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Contractor. The State will have the option to review and approve any notification sent to affected individuals prior to its delivery. Notification to any other party, including but not limited to public media outlets, must be reviewed and approved by the State in writing prior to its dissemination. The parties agree that any damages relating to a breach of this **Section 31** are to be considered direct damages and not consequential damages. This Section survives termination or expiration of this Contract.

31.6 State's Governance, Risk and Compliance (GRC) platform. Contractor is required to assist the State with its security accreditation process through the development, completion and ongoing updating of a system security plan using the State's automated GRC platform and implement any required safeguards or remediate any security vulnerabilities as identified by the results of the security accreditation process.

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

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

party). For purposes of this Contract, in all cases and for all matters, State Data is deemed to be Confidential Information.

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

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

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

32.5 Surrender of Confidential Information upon Termination. Upon termination of this Contract or a Statement of Work, in whole or in part, each party must, within 5 calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Contract. Should Contractor or the State determine that the return of any Confidential Information is not feasible, such party must destroy the Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party. However, each party may retain copies of Confidential Information to the extent

required by law or its written retention and disposal schedule, in which case Confidential Information will be maintained in accordance with the party's obligations hereunder until such Confidential Information is destroyed after the retention period expires.

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

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

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

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

33.4 Audit Findings. Contractor will coordinate with the State to resolve any deficiencies identified by the State or by any audit of Contractor's data privacy and information security program.

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

### **34. Reserved.**

### **35. Reserved.**

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

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

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

**37. Warranties and Representations.** Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (c) the Contract Activities when used in accordance with Intended Purpose, will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) Contractor must assign or otherwise transfer to the State or its designee any warranty for the Contract Activities necessary for the Intended Purpose; (e) the Contract Activities are merchantable and fit for the specific purposes identified in the Contract; (f) the Contract signatory has the authority to enter into this Contract; (g) to the best of Contractor's knowledge, upon due inquiry, all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information, and Contractor will inform the State of any material adverse changes; (h) to the best of Contractor's knowledge, upon due inquiry, all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading. Contractor further represents and warrants that (i) Contractor is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under **Section 23**, Termination for Cause.

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

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

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

**40. Reserved.**

**41. Reserved.**

**42. Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, and Executive Directive 2019-09. Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex (as defined in Executive Directive 2019-09), height, weight, marital status, partisan considerations, any mental or physical disability, or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position. Breach of this covenant is a material breach of this Contract.

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

**44. Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in Michigan Court of Claims. Contractor consents to venue in Ingham County, and waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint agents in Michigan to receive service of process.

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

**46. Force Majeure.** Neither party will be in breach of this Contract because of any failure arising from any act of god or any other act or event or circumstance beyond their reasonable control and without their fault or negligence, including, without limitation, natural disaster, wars, riots, terrorist activities, declared tropical storms, or any measures or actions of any international, national, regional, state or local government authority taken in response to acts of god, natural disasters, wars, riots, terrorist activities, declared tropical storms, epidemics, or pandemics (collectively, a "Force Majeure Event."). The Covid-19 Pandemic is not, by itself, a Force Majeure Event, but measures or actions of any national, regional, state or local government authority taken in response to the Covid-19 Pandemic that make it impossible for Contractor to fulfill its obligations under this Contract constitute a Force Majeure Event. Each party will use commercially reasonable efforts to resume performance of their respective obligations under the Contract. Contractor will not be relieved of a breach or delay caused by its Subcontractors,

that is not caused by a Force Majeure Event. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.

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

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

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

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

**50. Schedules.** All Schedules and Exhibits that are referenced herein and attached hereto are hereby incorporated by reference. The following Schedules are attached hereto and incorporated herein:

<b>Schedule A</b>	Statement of Work
<b>Schedule B</b>	Pricing

**51. Entire Agreement and Order of Precedence.** This Contract, which includes Schedule A – Statement of Work, and schedules and exhibits which are hereby expressly incorporated, is the entire agreement of the parties related to the Contract Activities. This Contract supersedes and replaces all previous understandings and agreements between the parties for the Contract Activities. If there is a conflict between documents, the order of precedence is: (a) first, this Contract, excluding its schedules, exhibits, and Schedule A – Statement of Work; (b) second, Schedule A – Statement of Work; and (c) third, schedules expressly incorporated into this Contract. NO TERMS ON CONTRACTOR'S INVOICES, ORDERING DOCUMENTS, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE CONTRACT ACTIVITIES WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS

HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE, EVEN IF ACCESS TO OR USE OF THE CONTRACT ACTIVITIES REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.

**52. Severability.** If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.

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

**54. Survival.** The provisions of this Contract that impose continuing obligations, including warranties and representations, termination, transition, insurance coverage, indemnification, and confidentiality, will survive the expiration or termination of this Contract.

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

# **SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES**

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## **BACKGROUND**

Public Act 202 of 2017, the Protecting Local Government Retirement and Benefits Act (the Act) was enacted into law on December 20, 2017. The bill establishes new reporting and funding requirements for local units of government who provide defined benefit style retiree pension and/or health care benefits (OPEB). The act required Treasury to establish an evaluation system for monitoring the fiscal health of these retirement systems. If a local unit of government's retirement system has been determined to be in underfunded status as defined in the Act, the local unit must have the ability to apply for a waiver of the underfunded status determination. If the Treasurer does not issue a waiver, the local unit must create a corrective action plan to address the underfunded status determination. Corrective Action Plans must be evaluated by the Municipal Stability Board (MSB).

## **SCOPE**

The State requires expertise in pension and retiree health care benefits to analyze corrective action plans submitted to the Municipal Stability Board in accordance with the act. The Contractor must also serve as the MSB and State's consultant on various Pension and OPEB matters such as uniform assumptions, best practice development, criteria to evaluate and monitor corrective action plans, and other matters related to implementation or management of the Act. The Contractor must provide various ad hoc reports as requested.

## **1. Requirements**

### **1.1. General Requirements**

**A.** The Contractor must assist the Department of Treasury in complying with MCL 38.2806(2) by all the following:

- 1) Undertake an individualized and comprehensive internal review of the local unit of government's retirement system
- 2) Discuss changes or reforms that have been made with the local unit of government's designated officials
- 3) Review actuarial projections, including trends and forecasts
- 4) Provide potential recommendations for effective management of retirement systems, including options for reducing unfunded liabilities and other projections of long-term plan solvency.

- B.** The Contractor must assist the Municipal Stability Board (MSB) in review of corrective action plans submitted to the board in accordance with the act. The MSB has posted on its website a listing of best practices that can be utilized by local units of government to support them in the development of their corrective action plans. Further, the MSB has created a listing of corrective action plan approval criteria that serves as the base for the board's decisions to approve or deny corrective action plans<sup>1</sup>
- C.** The Act requires the MSB to monitor each underfunded local unit of government's compliance with the act and any corrective action plan. The Contractor must assist the MSB and Treasury in the continued development of this process. The Contractor must assist the MSB and Treasury in evaluating local government compliance with the act and compliance with its corrective action plans. Further, the MSB has created a listing of corrective action plan monitoring criteria that serves as the base for the board's decisions to approve or deny corrective action plans<sup>2</sup>
- D.** The Contractor must assist in creating uniform assumptions relating to MCL 38.2805(1) as referenced below:
- 1) As required by the Act, *for purposes of reporting under this Section, the state treasurer shall annually establish uniform actuarial assumptions of retirement systems that include, but are not limited to investment returns, salary increase rates, mortality tables, discount rates, and health care inflation.*
  - 2) The Contractor must evaluate and review currently published uniform assumptions. Contractor must review these assumptions against industry trends and actuarial standards of practice. The Contractor must provide recommendations to setting uniform assumptions with rationale for the recommendation. Each recommendation should include additional discussion on how setting these assumptions impacts local units of government. If changes are recommended, the Contractor will provide discussion of the impact compared to the current year's assumptions.
  - 3) Treasury anticipates local governments and actuaries will have questions in implementation of the uniform assumptions. The Contractor must assist Treasury in providing responses to these questions. The Contractor must provide a response to questions within three (3) business days of receipt or within a timeframe agreed upon by the Program Manager.
- E.** The State anticipates additional analyses and meetings will be requested by legislators to review proposed pension and OPEB reforms. The Contractor must serve as the State's consultant. The Contractor must:

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<sup>1</sup> [https://www.michigan.gov/treasury/0,4679,7-121-1751\\_51556\\_86331-473192--,00.html](https://www.michigan.gov/treasury/0,4679,7-121-1751_51556_86331-473192--,00.html)

<sup>2</sup> [https://www.michigan.gov/treasury/0,4679,7-121-1751\\_51556\\_86331-502326--,00.html](https://www.michigan.gov/treasury/0,4679,7-121-1751_51556_86331-502326--,00.html)

- 1) Provide occasional consulting meetings at the Treasury Austin Building as required. However, most advice will be provided via phone calls, formal correspondence, and email
- 2) Be readily accessible to the Program Manager or designee by telephone within one (1) business day and shall be available for meetings in Lansing within three (3) business days of request
- 3) Attend and/or host periodic educational discussions with legislators and/or staff members of Treasury at Program Manager's request
- 4) Attend selected meetings and hearings for discussion of actuarial standards and/or the principles used in the determination of the funding requirements and in estimating the costs
- 5) Provide recommendations on how to utilize incentives to encourage participation in a (Best Practice) plan option offered to local governments
- 6) Discuss and analyze any trends and/or best practices in health insurance and/or pension and OPEB plan administration that may be beneficial to local units of government
- 7) Analyze the impact of these recommendations on collective bargaining

**F.** Treasury will furnish Contractor with such data or statistical information as may be deemed necessary for the performance of the work described herein and which is available in the records and files of Treasury. The data will be provided via e-mail or on manual listings. The Contractor is expected to treat all information as confidential, see Standard Contract Terms, **Section 32**.

**G.** All working papers, reports and other documentation prepared in the performance of this Contract are the property of Treasury and must be submitted to the Program Manager upon the completion of each individual project or as requested within five (5) business days of request.

**H.** Some of the Contractor's projects may be the result of requests from the Governor, the Legislature, the State Treasurer, various interest groups and other parties. The Contractor must channel all requests, reports, and all other communications in connection with this Contract through the Program Manager.

## **1.2. Transition**

If the State terminates the Contract, for convenience or cause, or if the Contract is otherwise dissolved, voided rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, deliverables, software, leases, etc. to the State or a third party designated by the State, if applicable. If the Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services and deliverables within a reasonable period of time that in no event will exceed ninety (90) days. These efforts must include, but are not limited to, those listed in **Section 25** of the Contract Terms.

### **1.3. Training**

The Contractor must provide the following training or knowledge transfer activities:

Contractor must keep the State apprised of new developments in the employee benefits field and regularly educate on industry trends. The nature of the educational programs and training methodology is entirely dependent on the needs and desires of the State and the State's staff members and day-to-day program administrative staff. Contractor must provide training materials during meetings and webinars. Contractor will provide links to documentation and training materials.

The Contractor must help the State identify and monitor pertinent federal, legal, and regulatory developments through daily review of specialized trade publications and research of critical state and local regulatory matters as necessary. The Contractor monitors the release of relevant government materials and has prompt access to all official documents, such as proposed and final regulations, Revenue Rulings and bills introduced or acted on in Congress.

The Contractor prepares materials including online Compliance News web posts and thought leadership, which are routinely provided to clients, at no additional charge, via e-mail:

- *Compliance News* summarizes important developments affecting retirement plan compliance and health benefit plan compliance, provides a concise description of the legislative or regulatory matter and discussed the possible implications for public sector plans
- Various consulting insights that discuss creative benefit planning options for employers and plan sponsors
- *Trends*, a quarterly publication that captures noteworthy developments of interest to sponsors of public sector health plans
- Complimentary webinars for our clients to discuss current topics of concern and new legal and regulatory requirements

## **2. Acceptance**

### **2.1. Acceptance, Inspection, and Testing**

The State will use the criteria provided in **Section 16** of the Contract Terms to determine acceptance of the Contract Activities.

### **2.2. Final Acceptance**

Final Acceptance is when the project is completed and functions according to the requirements. Any intermediate acceptance of sub-deliverables does not complete the requirement of Final Acceptance.

## **3. Staffing**

### **3.1. Contractor Representative**

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

The Contractor must notify the Contract Administrator at least thirty (30) calendar days before removing or assigning a new Contractor Representative.

The below individual is assigned to the State of Michigan account for day-to-day support and any account management issues that arise. This individual is the Contractor Representative:

**Ted Makowiec**

Phone: 248.530.6383

E-mail: [tmakowiec@segalco.com](mailto:tmakowiec@segalco.com)

**3.2. Customer Service Toll-Free Number**

For telephone meetings and calls, each team member has his/her own password protected toll-free client call-in number that will be either 877.818.7893 or 877.477.0014. Additionally, every member of the team is committed to be available in person, via phone or email 24/7/365. The State will have the cell phone numbers of each core team members should any urgent need come up.

**3.3. Work Hours**

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

**3.4. Key Personnel**

The Contractor must appoint a Supervising Consultant who will be directly responsible for the day-to-day operations of the Contract ("Key Personnel").

The Key Personnel must have substantial experience and expertise in providing consulting services to statewide public employee retirement systems with similar size and scope. Substantial experience is at least five years providing consulting services to statewide public employee retirement systems.

Key Personnel must be specifically assigned to the State account, be knowledgeable on the contractual requirements, and respond to State inquiries within 24 hours.

Contractor's Key Personnel may be requested to be on-site for some activities or meetings.

The State has the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the Program Manager of the proposed assignment, introduce the individual to the Program Manager, and provide the State with any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail

outlining the reasons for the rejection. The State may require a 30-calendar day training period for replacement personnel.

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

- i. For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the credit amount will be \$500.00 per individual if Contractor identifies a replacement approved by the State and assigns the replacement to shadow the Key Personnel who is leaving for a period of at least 30-calendar days before the Key Personnel's removal.
- ii. If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30-calendar days, in addition to the \$500.00 credit specified above, Contractor will credit the State \$16.00 per calendar day for each day of the 30-calendar day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$500.00 maximum per individual. The total Unauthorized Removal Credits that may be assessed per Unauthorized Removal and failure to provide 30-calendar days of shadowing will not exceed \$1,000.00 per individual.

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

The Contractor must identify the Key Personnel, indicate where they will be physically located, and describe the functions they will perform:

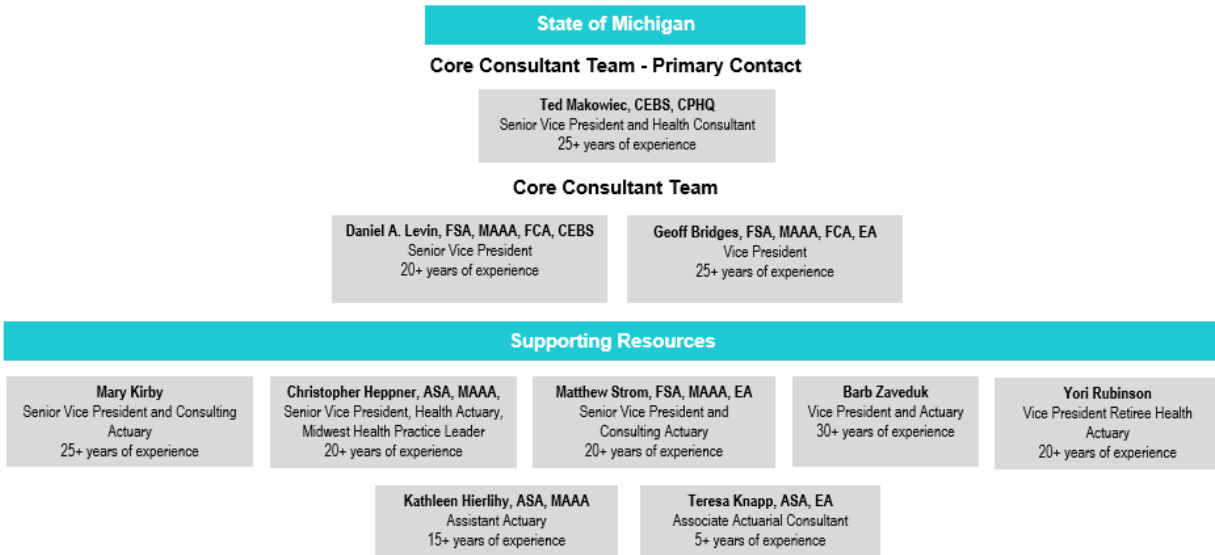
Name	Physical Location	Functions
<b>Ted Makowiec</b> , CEBS, CPHQ Senior Vice President and Health Consultant	3001 West Big Beaver Road Suite 320 Detroit, MI 48084	Supervising Consultant
<b>Daniel Levin</b> , FSA, MAAA, FCA, CEBS Senior Vice President, Health Consulting Actuary	101 N. Wacker Drive Suite 500 Chicago, Illinois 60606	Retirement Health Lead
<b>Geoff Bridges</b> , FSA, MAAA, FCA, EA Vice President	101 N. Wacker Drive Suite 500 Chicago, Illinois 60606	Retirement Pension Lead

### 3.5. Other Staffing

The Contractor must provide a list of any other staffing not included in the Key Personnel **Section 3.4.** that will be included in performance activities for this Contract.

Name	Physical Location	Functions
<b>Mary Kirby</b> , FSA, MAAA, FCA Senior Vice President and Consulting Actuary	333 West 34 <sup>th</sup> Street New York, NY 10001	Retirement Consultant
<b>Christopher Heppner</b> , ASA, MAAA Senior Vice President, Health Actuary, Midwest Health Practice Leader	101 N. Wacker Drive Suite 500 Chicago, Illinois 60606	Retirement Consultant
<b>Matthew Strom</b> , FSA, MAAA, EA, Senior Vice President and Actuary	101 N. Wacker Drive Suite 500 Chicago, Illinois 60606	Retirement Consultant
<b>Yori Rubinson</b> , FSA, MAAA, Vice President and Senior Retiree Health Actuary	101 N. Wacker Drive Suite 500 Chicago, Illinois 60606	Retirement Consultant
<b>Teresa Knapp</b> , ASA, EA Associate Actuarial Consultant	2727 Paces Ferry Road SE Building One, Suite 1400 Atlanta, GA 30339	Retirement Consultant
<b>Kathleen Hierlihy</b> , ASA, MAAA Assistant Actuary	3001 West Big Beaver Road Suite 320 Detroit, MI 48084	Retirement Consultant

### 3.6. Organizational Chart



### 3.7. Disclosure of Subcontractors

The Contractor has no subcontractor(s).

### 3.8. Security

The Contractor will be subject to security procedures if required to be on-site any State building. The State may require the Contractor’s personnel to wear State issued identification badges.

## 4. Project Management

### 4.1. Project Plan

**A.** The Contractor must carry out this project under the direction and control of the Program Manager or designee. The Contractor, with the cooperation of the Program Manager, will develop an annual 12-month work plan. This process will include the development of quality and time metrics. Within five (5) business days of the Effective Date, the Contractor must submit to the Program Manager or designee for final approval a detailed project plan. This final project plan must be in agreement with the Contractor’s proposal and must include:

- 1) The Contractor's organizational chart with names and title of personnel assigned to the project, which must align with the staffing stated in accepted proposal
- 2) The Contractor’s staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State

- 3) The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each (e.g., estimated levels of effort for each level of personnel for Contractor personnel, including any contractual employees, and State personnel).

#### **4.2. Meetings**

The Contractor must attend meetings requested by the State as it deems appropriate.

#### **4.3. Reporting**

The Contractor must submit, as requested by the State, project status reports to the Program Manager with summaries of the work accomplished during the reporting period and notification of any significant deviation from previously agreed-upon project plans.

### **5. Pricing**

#### **5.1. Price Term**

Pricing is firm for the entire length of the Contract.

### **6. Ordering**

#### **6.1. Authorizing Document**

The appropriate authorizing document for the Contract will be a master agreement. The appropriate authorizing document for payment from the master agreement will be a purchase order (PO) or delivery order (DO).

### **7. Invoice and Payment**

#### **7.1. Invoice Requirements**

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

#### **7.2. Payment Methods**

The State will make payment for Contract Activities through Electronic Funds Transfer (EFT). See Standard Contract Terms **Section 20**.

### **8. Liquidated Damages**

Late or improper completion of the Contract Activities will cause loss and damage to the State, and it would be impracticable and extremely difficult to fix the actual damage sustained by the State. Therefore, if there is late or improper completion of the Contract Activities the State is entitled to collect liquidated damages in the amount of \$1,000 and an additional \$100 per day for each day Contractor fails to remedy the late or improper completion of the Work.

# SCHEDULE B - PRICING

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## Defined Contribution Auditing & Consulting Services

1. Contractor will not charge any one-time or set-up charges; there will be no charges associated with travel.
2. Contractor offers quick payment terms: **5%** discount off invoice if paid within **30** days after receipt of invoice.

Service Type Staffing	Hourly Rate
Senior Staff	\$425
Retirement Consultant	\$385
Junior Staff	\$260
Support Staff	\$210
Benefit and Investment Support Staff	\$210



# STATE OF MICHIGAN PROCUREMENT

Department of Treasury  
430 W Allegan St., Lansing MI 48933

## CONTRACT CHANGE NOTICE

Change Notice Number 1  
to  
Contract Number 22000000805

<b>CONTRACTOR</b>	The Segal Company (Midwest), Inc. d/b/a Segal
	3001 W Big Beaver Rd., Ste 320
	Troy, MI 48084
	Ted Makowiec
	248.530.6383
	tmakowiec@segalco.com
	CV0001909

<b>STATE</b>	Program Manager	Nick Brousseau	TREAS
		517.241.4234	
		BrousseauN@michigan.gov	
	Contract Administrator	Kyle Elzinga	TREAS
		517.614.0956	
		ElzingaK1@michigan.gov	

CONTRACT SUMMARY				
<b>DESCRIPTION:</b> Defined Contribution and Auditing & Consulting Services				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
May 10, 2022	May 9, 2025	2, 1-Year	May 9, 2025	
PAYMENT TERMS		DELIVERY TIMEFRAME		
Net 45, 5% if paid in 30 days		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Payment Request (PRC) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	May 9, 2025
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$300,000.00		0	\$300,000.00	
<b>DESCRIPTION:</b> Update to Contract Administrator from Stacey Shaw to Kyle Elzinga.				
All other pricing, terms and conditions, and statement of work remain the same.				



**STATE OF MICHIGAN PROCUREMENT**  
 Department of Treasury  
 430 W Allegan St., Lansing MI 48933

**CONTRACT CHANGE NOTICE**

Change Notice Number 2  
 to  
 Contract Number 22000000805

<b>CONTRACTOR</b>	The Segal Company (Midwest), Inc. d/b/a Segal
	3001 W Big Beaver Rd., Ste 320
	Troy, MI 48084
	Ted Makowiec
	248.530.6383
	tmakowiec@segalco.com
	CV0001909

<b>STATE</b>	Program Manager	Nick Brousseau	TREAS
		517.241.4234	
		BrousseauN@michigan.gov	
	Contract Administrator	Kyle Elzinga	TREAS
		517.614.0956	
		ElzingaK1@michigan.gov	

CONTRACT SUMMARY				
<b>DESCRIPTION:</b> Defined Contribution and Auditing & Consulting Services				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
May 10, 2022	May 9, 2025	2, 1-Year	May 9, 2025	
PAYMENT TERMS		DELIVERY TIMEFRAME		
Net 45, 5% if paid in 30 days		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Payment Request (PRC) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	May 9, 2025
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$300,000.00		\$500,000.00	\$800,000.00	
<b>DESCRIPTION:</b> This contract is hereby increased by \$500,000.00 and the following Statement of Work (SOW) is hereby added which is redefining general requirements (Section A.1., A.3., A.4.) for additional consulting services related to the local units of government's retirement system reporting associated with a new grant application process.				
All other terms, conditions, specifications, and pricing remain the same.				

**I. Grant Application Validation**

The Contractor must assist in the grant application validation process. This work, while yet to be defined, is being designed such that grant applicants can be reviewed on a uniform basis so that grant funds can be distributed in a fair and consistent manner. In addition to validating the grant application, there may be work associated with “prorating” the grant dollars if total demand exceeds grant funding. Some work steps necessary in validation include:

- A. Define and implement a data intake process.
  - 1. Transmission process development.
  - 2. Data intake and review.
  - 3. Confirm availability of all information necessary to validate application.
    - i. Create process to request additional information or clarification.
    - ii. Intake all additional information necessary for review.
- B. Perform validation.
  - 1. Create a process so that validations can be performed in a consistent and efficient manner.
  - 2. Validate data (defined as plan financials and actuarial reporting).
  - 3. Sign-off on application as unbiased third party.
    - i. Includes “good” applications and identifies others that need secondary review.
  - 4. Perform any necessary secondary review process.
- C. Calculate grant funding amount necessary to reach minimum 60% threshold (defined as ratio of plan actuarial value of assets to plan actuarial accrued liability).
- D. Create standardized reporting infrastructure for validations to the SOM.
- E. Summarize and present work findings and results to stakeholders as necessary.

The Contractor’s work is not intended to verify and confirm that actuarial calculations received during the data process are accurate. Such analysis is beyond the scope of this project.

**II. Ongoing Grantee Monitoring**

The Contractor must develop a process to monitor the grantees on an annual basis:

- A. Develop monitoring process for grantees.
- B. Intake necessary information to “test” grantees against State of Michigan monitoring criteria.
- C. Develop monitoring reporting.
- D. Summarize and present work findings and results to stakeholders as necessary.

**III. Administrative Assistance**

The Contractor must assist with the development of new processes and procedures associated with the formation of a new work stream at the State of Michigan. The Contractor’s breadth of experience with the Act and associated work with the State included the creation of many new work streams, specifically:

- A. Data intake procedures.
- B. Review of Frequently Asked Questions.
- C. Assistance in the creation of uniform reporting requirements.
- D. Define “proration” methodology (if necessary).
- E. Perform proration as necessary.
- F. Development of Best Practices documentation.
- G. Annual review of processes and procedures.

**IV. Support Timeline**

The implementation plan can be adjusted to meet the State’s specific requirements.

Date	Tasks
TBD	Initial meetings to review objectives and discuss parameters. Develop detailed project plan. Create uniform intake processes.
TBD	Develop data validation process.
TBD	Test validation process. Create necessary communications.
TBD	Receive applications.

TBD	Perform validations. Report validations to the State of Michigan.
TBD	Checks dispersed by October 30

**V. Pricing**

<b>Grant Application Validation Process Consulting Services</b>	<b>Price</b>
Perform individual validations (estimate is 0.5 to 2.0 hours per validation, billed hourly at rates stipulated in current contract).	\$225.00 to \$850.00 per validation
Ongoing Monitoring (process yet to be defined, expense is an estimate of information known to date).	\$100,000.00/annually
Assist in administration and launch of program (billed hourly per rates in current contract).	\$20,000.00 to \$35,000.00

Base fee (all fees associated with all three fee components above) includes: Attendance at all required in-person meetings at the State of Michigan in Lansing, Michigan.



# STATE OF MICHIGAN PROCUREMENT

Department of Treasury  
430 W Allegan St., Lansing MI 48933

## CONTRACT CHANGE NOTICE

Change Notice Number 3  
to  
Contract Number 22000000805

<b>CONTRACTOR</b>	The Segal Company (Midwest), Inc. d/b/a Segal
	3001 W Big Beaver Rd., Ste 320
	Troy, MI 48084
	Ted Makowiec
	248.530.6383
	tmakowiec@segalco.com
	CV0001935

<b>STATE</b>	Program Manager	Nick Brousseau	TREAS
		517.241.4234	
	BrousseauN@michigan.gov		
	Contract Administrator	Kyle Elzinga	TREAS
517.614.0956			
ElzingaK1@michigan.gov			

CONTRACT SUMMARY				
<b>DESCRIPTION:</b> Defined Contribution and Auditing & Consulting Services				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
May 10, 2022	May 9, 2025	2, 1-Year	May 9, 2025	
PAYMENT TERMS		DELIVERY TIMEFRAME		
Net 45, 5% if paid in 30 days		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Payment Request (PRC) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$800,000.00			\$800,000.00	
<b>DESCRIPTION:</b> The SIGMA Vendor Customer ID (VCUST) for the contractor is hereby updated to CV0001935. The initial VCUST, CV0001909, is associated with The Segal Company Eastern States.				
All other terms, conditions, specifications, and pricing remain the same.				



# STATE OF MICHIGAN PROCUREMENT

Department of Treasury  
430 W Allegan St., Lansing MI 48933

## CONTRACT CHANGE NOTICE

Change Notice Number 4  
to  
Contract Number 220000000805

<b>CONTRACTOR</b>	The Segal Company (Midwest), Inc. d/b/a Segal	<b>STATE</b>	Nick Brousseau	TREAS
	3001 W Big Beaver Rd., Ste 320		517.241.4234	
	Troy, MI 48084		BrousseauN@michigan.gov	
	Ted Makowiec		Adam Zanetti	TREAS
	248.530.6383		517-667-1465	
	tmakowiec@segalco.com		zanettia@michigan.gov	
	CV0001935			

CONTRACT SUMMARY				
<b>DESCRIPTION:</b> Defined Contribution and Auditing & Consulting Services				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
May 10, 2022	May 9, 2025	2, 1-Year	May 9, 2025	
PAYMENT TERMS		DELIVERY TIMEFRAME		
Net 45, 5% if paid in 30 days		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Payment Request (PRC) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	2, 1-Year	<input type="checkbox"/>		May 9, 2027
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$800,000		\$200,000	\$1,000,000	
<b>DESCRIPTION:</b> Effective April 7, 2025, this Contract is exercising 2, 1-Year options and is increased by \$200,000. The revised contract expiration date is May 9, 2027.				
The Treasury Contract Administrator has been updated to Adam Zanetti.				
Schedule B- Pricing has been updated as shown attached.				
All other terms, conditions, specifications and pricing remain the same.				

# SCHEDULE B - PRICING

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## Defined Contribution Auditing & Consulting Services

1. Contractor will not charge any one-time or set-up charges; there will be no charges associated with travel.
2. Contractor offers quick payment terms: **5%** discount off invoice if paid within **30** days after receipt of invoice.

### Option Year Pricing for the Contract Period May 10, 2025 – May 9, 2027

State of MI Service Type	2025 – 2027 Rate
Senior Staff	\$490
Retirement Consultant	\$445
Subject Matter Specialist	\$445
Senior Analyst	\$375
Junior Staff/Analyst	\$300
Support Staff	\$245
Benefit and Investment Support Staff	\$245