

AGENDA

Committee on Ways and Means AGENDA FOR OCTOBER 16, 2023 AT 4:30 PM



Lansing City Hall, City Council Conference Room
124 W. Michigan Avenue, 10th Floor

To provide input or ask questions on any item that is listed on the agenda,
members of the public may contact the City Council at city.council@lansingmi.gov or (517) 483-4177 prior to the meeting.
view on: <https://www.youtube.com/@lansingcitycouncil4446/stream>

Council Member Spadafore, Chairperson
Council Member Wood, Vice Chairperson
Council Member Jackson, Member

1. **Call to Order**
2. **Roll Call**
3. **Minutes**
 - A. October 2, 2023
4. **Public Comment on Agenda Items (Up to 3 Minutes)**
5. **Discussion/Action:**
 - B. RESOLUTION - Grant Acceptance; State of Michigan OS Reentry Contract
6. **Other**
7. **Adjourn**

Persons with disabilities who need an accommodation to fully participate in these meetings should contact the City Council Office at 517-483-4177 (TTY 711) 24 hour notice may be needed for certain accommodations. An attempt will be made to grant all reasonable accommodation requests.

DRAFT



MINUTES
Committee on Ways and Means
Monday, October 2 2023 @ 4:30 p.m.
City Council Conference Room

CALL TO ORDER

Council Member Wood called the meeting was called to order at 5:03 p.m. and explained the delay.

PRESENT

Council Member Peter Spadafore, Chair- excused
Council Member Carol Wood, Vice Chair
Council Member Brian T. Jackson, Member

OTHERS PRESENT

Sherrie Boak, Council Office Manager
Emily Linden, Internal Auditor
Deputy Chief Backus, LPD
Alec Malvetis, Public Service
Nicole McPherson, Public Service
DeLisa Fountain, Neighborhood Citizen Engagement

Minutes

MOTION BY COUNCIL MEMBER JACKSON TO APPROVE THE MINUTES FROM SEPTEMBER 11, 2023, AS PRESENTED. MOTION CARRIED 2-0.

Public Comment

No public comment at this time.

Discussion/Action:

RESOLUTION – Donation Acceptance; Lansing Police Department Special Tactics and Rescue Team

Chief Backus explained this is for the START group and comes from the annual memorial outing. This amount from the fundraiser and donation includes \$2,500 added by Modern Woodman financial institution.

MOTION BY COUNCIL MEMBER JACKSON TO APPROVE THE RESOLUTION FOR THE DONATION ACCEPTANCE FOR LPD SPECIAL TACTICS AND RESCUE TEAM. MOTION CARRIED 2-0.

DRAFT

RESOLUTION – Donation Acceptance; Lansing Police Department Firing Range Unit

Chief Backus is a total of \$15,000 and to be used to purchase fire range equipment, specifically new firearms.

MOTION BY COUNCIL MEMBER JACKSON TO APPROVE THE RESOLUTION FOR THE DONATION ACCEPTANCE FOR LPD FIRING RANGE UNIT. MOTION CARRIED 2-0.

DISCUSSION – Sole Source Purchase, LPD for All City Management Services as Vendor for Lansing School Crossing Guard Program

Chief Backus explained that All City Management Services is the service used for the last several years. They management everything from start to finish including hiring, background check, managing and managing paychecks.

MOTION BY COUNCIL MEMBER JACKSON TO PLACE ON FILE THE SOLE SOURCE FOR ALL CITY MANAGEMENT. MOTION CARRIED 2-0.

Ms. Linden stated she had no questions at this time and did have questions but were asked in advance and those were addressed prior to the meeting.

RESOLUTION – Grant Acceptance; Section 219 Federal Funding for the Combined Sewer Overflow Downtown; Washington Square and Ottawa Street Project

Mr. Malvetis referred to the resolution, and stated all projects required by the consent order from the State. The City was made aware of this program a couple years ago, and since then have had discussions with them to offset construction cost.

Council Member Wood asked about the description of sewer separation, and construction for BWL water main and steam utilities, and if this amount is being used in conjunction or is BWL doing the same work at the same time. Mr. Malvetis stated BWL is aware but no promises have been made that any portion would be used back to BWL.

MOTION BY COUNCIL MEMBER JACKSON TO APPROVE THE RESOLUTION FOR THE GRANT ACCEPTANCE FOR SECTION 219 FEDERAL FUNDING FOR CSO AT WASHINGTON SQUARE AND OTTAWA STREET PROJECT. MOTION CARRIED 2-0.

RESOLUTION – Grant Acceptance; Financial Empowerment Center Jackson National Life Grant

Ms. Fountain explained that Ms. Paxton is not present due to a medical emergency. She then expanded on the grant, which was initiated by JNL to pay for consultant in their relaunch in 6 months. There will no City funds used for this.

Council Member Jackson what the relaunch is. Ms. Fountain explained that when relaunch in house, this is to get the City department back to where they were before separating from the contractor. For the funding there is a higher expectation, so they are bringing the work in house to meet the requested standards. JNL called to invest in the FEC, and step one is to get the consultant to start the relaunch, and at that point they were interested.

MOTION BY COUNCIL MEMBER JACKSON TO APPROVE THE RESOLUTION FOR THE GRANT ACCEPTANCE FOR FINANCIAL EMPOWERMENT CENTER JACKSON NATIONAL LIFE. MOTION CARRIED 2-0.

DRAFT

RESOLUTION – Grant Acceptance; OS Reentry Program Contract bonus for the Office of Financial Empowerment from the Department of Corrections for job placement and retention performance

Ms. Fountain explained the program, under contract with State, awarded a year 5 bonus and this has been done in the past. Based on performance measures, this is being awarded to the City. There will be a portion given to Peckham since they are doing the services and Ms. Fountain stated she can provide that amount to Council.

MOTION BY COUNCIL MEMBER JACKSON TO APPROVE THE RESOLUTION FOR THE GRANT ACCEPTANCE FOR OS REENTRY PROGRAM FOR THE OFFICE OF FINANCIAL EMPOWERMENT.

Ms. Linden stated she had no questions on the last two grants and spoken to Ms. Paxton prior to the meeting.

MOTION CARRIED 2-0.

Council Member Jackson apologized for being late, his other job held him until courts closed.

OTHER

No other topics at this time.

ADJOURN

Adjourned at 5:14 p.m.

Submitted by,

Sherrie Boak, Recording Secretary,

Lansing City Council

Approved by the Committee on



LANSING CITY COUNCIL

GRANT INFORMATION FORM

(Required for all grant applications and acceptances)

REFERRAL DATE:

GRANT NAME: OS Reentry Administrative Agency

DEPARTMENT: Neighborhoods & Citizen Engagement (OFE)

CONTACT PERSON (INCLUDE EMAIL AND PHONE): Amber Paxton amber.paxton@lansingmi.gov

APPLICATION DATE: N/A

AWARD DATE: August 10, 2023

GRANT CYCLE: 5 years

Check One: ☒ Annual ☐ One-Time

FUND AMOUNT: \$808,000 x 5 = \$4,040,000 (Breakdown below should total this amount)

Breakdown for ONE Year is attached.

GOODS & SERVICES	\$616,695
PERSONNEL (contractual)	\$158,861
CONSTRUCTION	\$
LAND	\$
OTHER	_\$ 32,444
Total	\$808,000

CITY MATCH (IF APPLICABLE): \$ N/A

GRANT PAYS FOR: These funds are to operate the OS Reentry Program (previously known as Offender Success as the Administrative Agency for Region 7. We then subcontract Behavioral Health services to PATS, Employment and Social Supports services to Peckham, and payment of rents to Northwest Initiative. In-house, the dollars are used to fund the Community Coordinator, the Housing Resource Specialist, and an intern; to pay for housing supplies, and other administrative expenses.

FUND ALLOCATIONS (Please describe the purpose of the grant and allowable uses):

See attached for full budget. 100% of OS Reentry expenses including contractual staff are reimbursed by the State of Michigan.

FY 2024 PROPOSED ANNUAL BUDGET							
1. AGENCY NAME:		City of Lansing					
		2. REGION:		7			
SERVICE CATEGORY		SERVICE TYPE		3. PROJECTED NUMBER SERVED	4. LEVERAGED FUNDING	5. PROPOSED ANNUAL BUDGET	
Residential Stability	24/7 Structured Housing		3			\$10,260.00	
	Base Housing/Rents		90			\$146,190.00	
	Rental Assistance		20			\$14,000.00	
	Housing Supplies		90			\$14,400.68	
	Resource Specialist		N/A			\$60,000.00	
Residential Stability Subtotals:			203		\$0.00	\$244,850.68	
Economic Stability	Financial Stability	Financial Assistance Services		90		20160	\$0.00
	Education	Education Services		12			\$15,000.00
	Job Placement	Vocational Assessment		0			\$0.00
		Job Readiness		186			\$0.00
		Job Search		186			\$0.00
		Temporay Work Experience		0			\$0.00
		Try-Out Employment		0			\$0.00
		On-The-Job Training		10			\$30,021.34
		Work Supplies		132			\$20,742.48
		Job Development Specialist		N/A			\$170,570.15
Job Placement Subtotals:			616		\$20,160.00	\$236,333.97	
Social Support	Clothing Assistance		150			\$14,508.00	
	Hygiene/Food Assistance		90		\$9,000.00	\$1,191.26	
	Identification		132			\$2,124.52	
	Law Enforcement		0			\$0.00	
	Mentoring		0			\$0.00	
	Pro-Social Activities		0			\$0.00	
	Public Transportation		156			\$4,570.00	
	Private Transportation		48			\$10,600.00	
	Resource Specialist		N/A			\$55,861.09	
Social Support Subtotals:			576		\$9,000.00	\$88,854.87	
Health & Behavioral Health	Cognitive Behavioral Groups		54			\$15,000.00	
	Batterer Intervention Services		42			\$15,000.00	
	Assessment		0			\$0.00	
	Group Counseling		0			\$0.00	
	Individual Counseling		0			\$0.00	
	Family Counseling		0			\$0.00	
	Psychiatric Evaluation		0			\$0.00	
	Prescription Psychotropic Medication		0			\$0.00	
	Medication Review		0			\$0.00	
	Prescription Medication Health Care		0			\$0.00	
	Resource Specialist		N/A			\$0.00	
Health & Behavioral Health Subtotals:			96		\$0.00	\$30,000.00	
Operations Support	Community Coordinator		N/A			\$93,860.80	
	Travel Community Coordinator		N/A			\$0.00	
	Outreach & Education		N/A			\$0.00	
	In-Reach		N/A			\$222.00	
	Training & Professional Development		N/A			\$1,030.41	
	General Administration (Up to 20% of total budget)		N/A			\$112,847.27	
Operations Support Subtotals:			0		\$0.00	\$207,960.48	
ALL SERVICE CATEGORY TOTALS			1491		\$29,160.00	\$808,000.00	
6. Annual Budget Amount						\$808,000.00	
Amount remaining to be budgeted						\$0.00	



STATE OF MICHIGAN PROCUREMENT

Department of Technology, Management, and Budget

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

NOTICE OF CONTRACT

NOTICE OF CONTRACT NO. **230000001360**

between

THE STATE OF MICHIGAN

and

CONTRACTOR	City of Lansing
	124 W Michigan Ave, 9 th Floor
	Lansing, MI 48933
	Amber Paxton
	517-648-6643
	Amber.paxton@lansingmi.gov
	CV0047783

STATE	Program Manager	Mariam DeLand	MDOC
		517-582-4311	
		Delandm1@michigan.gov	
	Contract Administrator	Marissa Gove	DTMB
		517-449-8952	
		Govem1@michigan.gov	

CONTRACT SUMMARY			
DESCRIPTION: Offender Success Administrative Agency Services (Region 7)			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2023	September 30, 2028	4-1 Year	
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
☐ P-card ☐ Payment Request (PRC) ☐ Other			☐ Yes ☒ No
MINIMUM DELIVERY REQUIREMENTS			
N/A			
MISCELLANEOUS INFORMATION			
THIS IS NOT AN ORDER: The Contract is awarded based on the State's inquiry bearing Request for Proposal number 230000001419. Orders for delivery will be issued directly by the Department through a Delivery Order (DO).			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			\$4,040,000.00

FOR THE CONTRACTOR:

City of Lansing

Company Name

E-SIGNED by Andy Schor
on 2023-08-24 13:34:37 EDT

Authorized Agent Signature

Andy Schor

Authorized Agent (Print or Type)

2023-08-24 13:34:37 UTC

Date

FOR THE STATE:

E-SIGNED by Pam Platte
on 2023-09-14 14:37:26 EDT

Signature

Pam Platte

DTMB-CPS Enterprise Sourcing Director

Name & Title

DTMB, Central Procurement Services

Agency

2023-09-14 14:37:26 UTC

Date

STANDARD CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and the City of Lansing (“**Contractor**”), a Michigan municipality. This Contract is effective on October 1, 2023 (“**Effective Date**”), and unless terminated, will expire on September 30, 2028 (the “**Term**”).

This Contract may be renewed for up to 4 (four) additional 1 (one) year period(s). Renewal is at the sole discretion of the State and will automatically extend the Term of this Contract. The State will document its exercise of renewal options via Contract Change Notice.

The parties agree as follows:

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

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

Contractor must: (a) perform the Contract Activities in a timely, professional, safe, and workmanlike manner consistent with standards in the trade, profession, or industry; (b) meet or exceed the performance and operational standards, and specifications of the Contract; (c) provide all Contract Activities in good quality, with no material defects; (d) not interfere with the State’s operations; (e) obtain and maintain all necessary licenses, permits or other authorizations necessary for the performance of the Contract; (f) cooperate with the State, including the State’s quality assurance personnel, and any third party to achieve the objectives of the Contract; (g) return to the State any State-furnished equipment or other resources in the same condition as when provided when no longer required for the Contract; (h) 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; (i) comply with all State physical and IT security policies and standards which will be made available upon request; and (j) provide the State priority in performance of the Contract except as mandated by federal disaster response requirements. Any breach under this paragraph is considered a material breach.

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

- 2. Notices.** All notices and other communications required or permitted under this Contract must be in writing and will be considered given and received: (a) when verified by written receipt if sent by courier; (b) when actually received if sent by mail without verification of receipt; or (c) when verified by automated receipt or electronic logs if sent by facsimile or email.

If to State:

If to Contractor:

See Contract Administrator information shown below.	Amber Paxton 1220 W Kalamazoo Lansing, MI 48915 Amber.Paxton@lansingmi.gov (517) 648-664
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3. **Contract Administrator.** The Contract Administrator, or the individual duly authorized for each party, is the only person authorized to modify any terms of this Contract, and approve and execute any change under this Contract (each a “**Contract Administrator**”):

State:	Contractor:
Marissa Gove 320 S Walnut St. Lansing, MI 48933 Govem1@michigan.gov 517-449-8952	Amber Paxton 1220 W Kalamazoo Lansing, MI 48915 Amber.Paxton@lansingmi.gov (517) 648-664

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

State:	Contractor:
Mariam DeLand 206 E Michigan Ave. Lansing, MI 48933 Delandm1@michigan.gov 517-582-4311	Amber Paxton 1220 W Kalamazoo Lansing, MI 48915 Amber.Paxton@lansingmi.gov (517) 648-664

5. **Performance Guarantee.** Contractor must at all times have financial resources sufficient, in the opinion of the State, to ensure performance of the Contract and must provide proof upon request. The State may require a performance bond (as specified in Schedule A – Statement of Work) if, in the opinion of the State, it will ensure performance of the Contract.
6. **Insurance Requirements.** See Schedule C.
7. **Reserved.**
8. **Reserved.**
9. **Relationship of the Parties.** The relationship between the parties is that of independent contractors. 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. Neither party has authority to contract for nor bind the other party in any manner whatsoever.
10. **Intellectual Property Rights.** If Schedule A, Statement of Work, requires Contractor to create any intellectual property, Contractor hereby acknowledges that the State is and will be the sole and exclusive owner of all right, title, and interest in the Contract

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

11. Contract Activities including Software. If Contractor is providing Contract Activities that require the use of Contractor Software, the following terms apply:

- a. License Grant by Contractor:** Contractor hereby grants to the State, exercisable by and through its Authorized Users, a nonexclusive, royalty-free, irrevocable right and license during the Term and such additional periods, if any, as Contractor is required to provide Contract Activities under this Contract or any Statement of Work, to: (a) access and use the Software, including in operation with other software, hardware, systems, networks and services, for the State's business purposes, including for processing State Data; (b) generate, print, copy, upload, download, store and otherwise process all GUI, audio, visual, digital and other output, displays and other content as may result from any access to or use of the Software; (c) prepare, reproduce, print, download and use a reasonable number of copies of the Documentation for any use of the Software under this Contract; and (d) access and use the Software for all such non-production uses and applications as may be necessary or useful for the effective use of the Contract Activities hereunder, including for purposes of analysis, development, configuration, integration, testing, training, maintenance, support and repair, which access and use will be without charge and not included for any purpose in any calculation of the State's or its Authorized Users' use of the Software, including for purposes of assessing any Fees or other consideration payable to Contractor or determining any excess use of the Software as described below.
- b. License Restrictions on the State.** The State will not: (a) rent, lease, lend, sell, sublicense, assign, distribute, publish, transfer or otherwise make the Software available to any third party, except as expressly permitted by this Contract or in any Statement of Work; or (b) use or authorize the use of the Software or Documentation in any manner or for any purpose that is unlawful under applicable law.
- c. Use by the State.** The State will pay Contractor the corresponding Fees set forth in a Statement of Work or Pricing Schedule for all Authorized Users access and use of the Software. Such Fees will be Contractor's sole and exclusive remedy for use of the Software, including any excess use.
- d. Certification by the State to the Contractor, if applicable.** To the extent that a License granted to the State is not unlimited, Contractor may request written certification from the State regarding use of the Software for the sole purpose of verifying compliance with the Contract. Such written certification may occur no more than once in any 24 month period during the Term of the Contract. The State will respond to any such request within 45 calendar days of receipt. If

the State's use is greater than contracted, Contractor may invoice the State for any unlicensed use (and related support) pursuant to the terms of this Contract at the rates set forth in Schedule B, and the unpaid license and support fees shall be payable in accordance with the terms of the Contract. Payment under this provision shall be Contractor's sole and exclusive remedy to cure these issues.

e. Definitions.

- (1) **"Software"** means Contractor's software as set forth in a Statement of Work, provided to the State that is necessary for use of the Contract Activities.
- (2) **"Documentation"** means all user manuals, operating manuals, technical manuals and any other instructions, specifications, documents or materials, in any form or media, that describe the functionality, installation, testing, operation, use, maintenance, support, technical or other components, features or requirements of the Software or Contract Activities.
- (3) **"Authorized Users"** means all persons authorized by the State to access and use the Software or Contract Activities under this Contract.

12. 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.

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

14. 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.

- 15. 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.
- 16. Change of Control.** Contractor will notify the State, within 30 days of any public announcement or otherwise once legally permitted to do so, 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.

- 17. Ordering.** Contractor is not authorized to begin performance until receipt of authorization as identified in Schedule A.
- 18. Acceptance.** Contract Activities are subject to inspection and testing by the State within 30 calendar days of the State's receipt of them ("State Review Period"), unless otherwise provided in Schedule A. If the Contract Activities are not fully accepted by the State, the State will notify Contractor by the end of the State Review Period that either: (a) the Contract Activities are accepted but noted deficiencies must be corrected; or (b) the Contract Activities are rejected. If the State finds material deficiencies, it may: (i) reject the Contract Activities without performing any further inspections; (ii) demand performance at no additional cost; or (iii) terminate this Contract in accordance with Section 25, 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.

To the extent that Contract Activities includes the provision of a Services through the use of an online portal, as set forth the Schedule A, Statement of Work, Contractor must comply with the Service Level Agreement set forth in Schedule D of this Contract.

19. Reserved.

20. Reserved.

21. Reserved

22. Invoices and 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 provided 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. Notwithstanding the foregoing, all fees are exclusive of taxes, and Contractor is responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by the State under this Contract.

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

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

Excluding federal government charges and terms, Contractor warrants and agrees that each of the fees, economic or product terms or warranties granted pursuant to this Contract are comparable to or better than the equivalent fees, economic or product term or warranty being offered to any commercial or government customer (including any public educational institution within the State of Michigan) of Contractor. If Contractor enters into any arrangements with another customer of Contractor to provide the products or services, available under this Contract, under more favorable prices, as the prices may be indicated on Contractor's current U.S. and International price list or comparable document, then this Contract will be deemed amended as of the date of such other arrangements to incorporate those

more favorable prices, and Contractor will immediately notify the State of such fee and formally memorialize the new pricing in a change notice.

- 23. Liquidated Damages.** Liquidated damages, if applicable, will be assessed as described in Schedule A. The parties understand and agree that any liquidated damages (which includes but is not limited to applicable credits) set forth in this Contract are reasonable estimates of the State's damages in accordance with applicable law. The parties acknowledge and agree that Contractor could incur liquidated damages for more than 1 event. The assessment of liquidated damages will not constitute a waiver or release of any other remedy the State may have under this Contract for Contractor's breach of this Contract, including without limitation, the State's right to terminate this Contract for cause under Section 25 and the State will be entitled in its discretion to recover actual damages caused by Contractor's failure to perform its obligations under this Contract. However, the State will reduce such actual damages by the amounts of liquidated damages received for the same events causing the actual damages. Amounts due the State as liquidated damages may be set off against any fees payable to Contractor under this Contract, or the State may bill Contractor as a separate item and Contractor will promptly make payments on such bills.
- 24. 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.
- 25. 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 26, 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.

- 26. Termination for Convenience.** The State may immediately terminate this Contract in whole or in part without penalty and for any reason or no 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 27, 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.
- 27. 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 120 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.
- 28. Indemnification.** Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to: (a) any breach by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract; (b) any infringement, misappropriation, or other violation of any intellectual property right or other right of any third party; (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and (d) any acts or omissions of

Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

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

The State is entitled to: (i) regular updates on proceeding status; (ii) participate in the defense of the proceeding; (iii) employ its own counsel; and to (iv) retain control of the defense, at its own cost and expense, if the State deems necessary. Contractor will not, without the State's prior 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.

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.

The State is constitutionally prohibited from indemnifying Contractor or any third parties.

29. **Infringement Remedies.** If, in either party's opinion, any piece of equipment, software, commodity, or service supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment, software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.
30. **Limitation of Liability and Disclaimer of Damages. IN NO EVENT WILL THE STATE'S AGGREGATE LIABILITY TO CONTRACTOR UNDER THIS CONTRACT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT, EXCEED THE MAXIMUM AMOUNT OF FEES PAYABLE UNDER THIS CONTRACT.** The State is not liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.
31. **Disclosure of Litigation, or Other Proceeding.** Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor, that arises during the term of the Contract, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or (2) a governmental or public

entity's claim or written allegation of fraud; or (3) any complaint filed in a legal or administrative proceeding alleging the Contractor or its subcontractors discriminated against its employees, subcontractors, vendors, or suppliers during the term of this Contract; or (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract.

32. Reserved.

33. State Data.

- a. **Ownership.** The State's data ("**State Data**," which will be treated by Contractor as Confidential Information) includes: (a) the State's data, user data, and any other 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) protected 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.
- b. **Contractor Use of State Data.** Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Contract Activities, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Contract Activities. Contractor must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Contract Activities, such use and disclosure being in accordance with this Contract, any applicable Statement of Work, and applicable law; (c) keep and maintain State Data in the continental United States and (d) not use, sell, rent, transfer, distribute, commercially exploit, 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. Contractor's misuse of State Data may violate state or federal laws, including but not limited to MCL 752.795.
- c. **Extraction of State Data.** Contractor must, within 5 business days of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Contractor), an extract of the State Data in the format specified by the State.
- d. **Backup and Recovery of State Data.** Unless otherwise specified in Schedule A, Contractor is responsible for maintaining a backup of State Data and for an

orderly and timely recovery of such data. Unless otherwise described in Schedule A, Contractor must maintain a contemporaneous backup of State Data that can be recovered within 2 hours at any point in time.

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

State in writing prior to its dissemination. The parties agree that any damages relating to a breach of this **Section 33** are to be considered direct damages and not consequential damages.

34. 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.

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

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

c. Cooperation to Prevent Disclosure of Confidential Information. Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access

to Confidential Information has violated or intends to violate the terms of this Contract and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.

- d. Remedies for Breach of Obligation of Confidentiality.** Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Contract or any Statement of Work corresponding to the breach or threatened breach.
- e. Surrender of Confidential Information upon Termination.** Upon termination of this Contract or a Statement of Work, in whole or in part, each party must, within 5 calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Contract. Should Contractor or the State determine that the return of any Confidential Information is not feasible, such party must destroy the Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party. However, the State's legal ability to destroy Contractor data may be restricted by its retention and disposal schedule, in which case Contractor's Confidential Information will be destroyed after the retention period expires.

35. Data Privacy and Information Security.

- a. Undertaking by Contractor.** Without limiting Contractor's obligation of confidentiality as further described, Contractor is responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of the State Data; (b) protect against any anticipated threats or hazards to the security or integrity of the State Data; (c) protect against unauthorized disclosure, access to, or use of the State Data; (d) ensure the proper disposal of State Data; and (e) ensure that all employees, agents, and subcontractors of Contractor, if any, comply with all of the foregoing. In no case will the safeguards of Contractor's data privacy and information security program be less stringent than the safeguards used by the State, and Contractor must at all times comply with all applicable State IT policies and standards, which are available to Contractor upon request. Contractor must comply with the requirements of the Data Security Schedule, found in Schedule E.
- b. Audit by Contractor.** No less than annually, Contractor must conduct a comprehensive independent third-party audit of its data privacy and information security program and provide such audit findings to the State.
- c. Right of Audit by the State.** Without limiting any other audit rights of the State, the State has the right to review Contractor's data privacy and information security

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

- d. **Audit Findings.** Contractor must implement any required safeguards as identified by the State or by any audit of Contractor's data privacy and information security program.
- e. **State's Right to Termination for Deficiencies.** The State reserves the right, at its sole election, to immediately terminate this Contract or a Statement of Work without limitation and without liability if the State determines that Contractor fails or has failed to meet its obligations under this Section.

36. **Reserved.**

37. **Reserved.**

38. **Records Maintenance, Inspection, Examination, and Audit.** Pursuant to MCL 18.1470, 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 records related to the Contract through the term of the Contract and for 4 years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Audit Period**"). If an audit, litigation, or other action involving the records is initiated before the end of the Audit Period, Contractor must retain the records until all issues are resolved.

Within 10 calendar days of providing notice, the State and its authorized representatives or designees have the right to enter and inspect Contractor's premises or any other places where Contract Activities are being performed, and examine, copy, and audit all records related to this Contract. Contractor must cooperate and provide reasonable assistance. If 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.

39. **Representations and Warranties.** Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (c) the Contract Activities will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) Contractor must assign or otherwise transfer to the State or its designee any manufacturer's warranty for the Contract Activities;

(e) the Contract Activities are merchantable and fit for the specific purposes identified in the Contract; (f) the Contract signatory has the authority to enter into this Contract; (g) all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information, and Contractor will inform the State of any material adverse changes; (h) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading; and that (i) Contractor is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under Section 25, Termination for Cause.

- 40. 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.
- 41. Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations.
- 42. Reserved.**
- 43. Reserved.**
- 44. 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.
- 45. 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.
- 46. 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 the Michigan Court of Claims. Complaints against the State must be initiated in Ingham County, Michigan. Contractor waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint an agent in Michigan to receive service of process.

- 47. Non-Exclusivity.** Nothing contained in this Contract is intended nor is to be construed as creating any requirements contract with Contractor, nor does it provide Contractor with a right of first refusal for any future work. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Contract Activities from other sources.
- 48. Force Majeure.** Neither party will be in breach of this Contract because of any failure arising from any disaster or acts of god that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Contractor will not be relieved of a breach or delay caused by its subcontractors. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.
- 49. 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.
- 50. 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 the prior written approval of the State, and then only in accordance with the explicit written instructions of the State.
- 51. 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:

Document	Description
Schedule A	Statement of Work
Schedule B	Pricing

Document	Description
Schedule C	Insurance Requirements
Schedule D	Service Level Agreement for Hybrid Purchases
Schedule E	Data Security Requirements for Hybrid Purchases

- 52. Entire Agreement and Order of Precedence.** This Contract, which includes Schedule A – Statement of Work, and schedules and exhibits, is the entire agreement of the parties related to the Contract Activities. This Contract supersedes and replaces all previous understandings and agreements between the parties for the Contract Activities. If there is a conflict between documents, the order of precedence is: (a) first, this Contract, excluding its schedules, exhibits, and Schedule A – Statement of Work; (b) second, Schedule A – Statement of Work as of the Effective Date; and (c) third, schedules expressly incorporated into this Contract as of the Effective Date. NO TERMS ON CONTRACTOR'S INVOICES, ORDERING DOCUMENTS, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE CONTRACT ACTIVITIES, OR DOCUMENTATION HEREUNDER, EVEN IF ATTACHED TO THE STATE'S DELIVERY OR PURCHASE ORDER, WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE OR ANY AUTHORIZED USER FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE AND THE AUTHORIZED USER, EVEN IF ACCESS TO OR USE OF THE CONTRACT ACTIVITIES REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.
- 53. 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.
- 54. Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
- 55. Survival.** Any right, obligation or condition that, by its express terms or nature and context is intended to survive, will survive the termination or expiration of this Contract; such rights, obligations, or conditions include, but are not limited to, those related to transition responsibilities; indemnification; disclaimer of damages and limitations of liability; State Data; non-disclosure of Confidential Information; representations and warranties; insurance and bankruptcy.
- 56. 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

Contract No. 230000001360

Offender Success Administrative Agency Services

BACKGROUND

This Contract is for the Michigan Department of Corrections (MDOC) Community-Based Offender Success (OS) Reentry Services. This program provides reentry services to people on parole and other eligible populations returning to the community. The OS Model is a comprehensive approach that covers all aspects of MDOC jurisdiction, including sentencing, probation, prison, the transition to the community, and parole. This contract is aimed at services during the Transition to the Community and Parole.

VISION

Through innovative programming and case management, the vision of the Michigan OS Model is to provide every client knowledge, skills, resources, and opportunities to be successful and productive members of the community.

MISSION

We create a safer Michigan by holding clients accountable while promoting their success.

SCOPE

1. Provide or Broker Services within four general areas of: Housing, Economic Stability, Health and Behavioral Health, and Social Support.
2. Establish and maintain the **OS Regional Governance Structure** towards:
 - a. Obtaining Regional input through a Regional Steering Team and supporting Advisory Council(s).
 - b. Implement Regional processes to allow performance feed-back on service activity and outcomes, as well as sharing of ideas for issue resolution and decision-making.
 - c. Provide administrative support to include ensuring that Community Coordinator responsibilities are fulfilled.
3. Complete and submit the **OS Data Collection Spreadsheet** monthly, documenting service referrals, enrollments, and costs.
4. Provide Project Management oversight for all activities required of the Contract.

The State reserves the right to add or remove services via Change Notice per Standard Contract Terms Section 47. Contract Modification.

1. Requirements

1.1. General Requirements

The Contractor must provide services and staff, and do all things necessary for the performance of work, as set forth below:

- A. The Contractor must serve all clients including High Risk, High Need clients referred to them for services. The MDOC does not guarantee the Contractor a minimum number of referrals. The Contractor cannot refuse any State referrals for services. The Contractor must provide contract services to transgender and gender nonconforming clients.
- B. The Contractor must assess the needs of all clients referred for services, according to guidance issued below. If clients decline to participate in an assessment, the Contractor must document efforts to work collaboratively with the supervising field agent to engage the client.
- C. Economic Stability Services: Economic Stability Services include Job Placement Services, Education Services, and Financial Assistance Services. The Contractor must assess the needs of referred clients for these services and develop an individualized plan for Economic Stability.
 1. Job Placement Services: The Contractor must provide Job Placement services as described within the **OS Service Parameters** to clients referred for Job Placement services.
 - a. The Contractor must use the information contained within Workforce Development Files (WFD) Packets that are given to prisoners at the end of their sentence, to only prescribe services necessary to place clients into appropriate Job Placement Service Types. If the WFD Packet is not provided to the Contractor, the Contractor must follow processes outlined by MDOC to request the WFD Packet and must retain documentation of such efforts.
 - b. The Contractor must assess the needs of each client using the WFD Packet and other assessments to match clients to market demand jobs based on their interests, skills, and motivation.
 - c. When a client is referred for a Job Placement Service Type (not including Work Supplies only) the Contractor is authorized to provide any Job Placement Service Type(s), according to the MDOC OS Service Parameters with one exception: The Contractor can only provide Work Supplies if it is specifically listed by the agent. The Contractor must document that the service type(s) are appropriate based on information from the WFD Packet and/or the Contractor's assessment of needs. Job Placement referrals authorize the Contractor to provide Job Placement Service Type(s) until the last Job Placement Service Type being provided has a closure code on the **OS Data Collection Spreadsheet**. After that

time, a new referral is required in order to provide further Job Placement Services.

2. Education: The Contractor must provide connections to Career Technical Education, Post-Secondary Education, or High School Equivalency for those referred for Education Evaluation/Assessment as described within the **OS Service Parameters**. The Contractor must develop innovative approaches and services to match clients to educational opportunities based on their interests, skills, and motivation.
 - a. The Contractor must use the information contained within MDOC-issued WFD Packet to only prescribe services necessary to place clients into appropriate services. If WFD Packets are not provided to the Contractor, the Contractor must follow processes outlined by MDOC to request the WFD Packet and must retain documentation of such efforts.
 3. Financial Stability: The Contractor must provide Financial Stability services for those referred for Monetary Assistance Services as described within the **OS Service Parameters**.
 - a. ORU (Offender Reentry Unit) and PMCD (Procurement, Monitoring and Compliance Division) staff will monitor service utilization annually to ensure that clients are only being given services matched to their assessed needs and that the Contractor is not billing for services frivolously. Authorization could be limited by ORU if service utilization is frivolous or excessive.
- D. Residential Stability Services: The Contractor must provide Residential Stability services to referred clients as described within the **OS Service Parameters**. The Contractor must provide associated case coordination activities to address situational barriers and offer connections to other community agencies and services to accomplish permanent outcomes.
1. The Contractor must assess the needs of each client referred for housing placement and develop a permanent housing plan customized to each client's own goals, strengths, and needs. The Contractor must follow the plan, modifying it as needed, to provide comprehensive Residential Stability services matched to the assessed needs of the client.
 - a. The Contractor will assist in establishing income, saving money, contacting landlords, and developing appropriate exit plans.
 2. The Contractor must work with MDOC to utilize Housing Choice Vouchers (HCV) by screening clients, assisting with paperwork, completing reports, recruiting HCV landlords, and any other necessary activities.

3. When a client is referred for Residential Stability Services (not including Housing Supplies only), the Contractor is authorized to provide any Residential Stability Service Type(s) within the MDOC **OS Service Parameters**, according to the client's needs assessment. The Contractor must document written support of the supervising field agent before providing rental assistance. Residential Stability referrals authorize contractors to provide Residential Stability Services until the last Residential Stability Service Type being provided has a closure code on the **OS Data Collection Spreadsheet** and/or the person has moved out of OS-funded housing. After that, a new referral is required in order to provide further Residential Stability Services.

ORU and PMCD staff will monitor service utilization annually to ensure that clients are only being given services matched to their assessed needs and that the Contractor is not billing for services frivolously. Authorization could be limited by ORU if service utilization is frivolous or excessive.

- E. Social Support Services: The Contractor must provide Social Support services and case coordination activities for referred clients as described in the **OS Service Parameters**: assessing needs and providing supportive services, collaborating with others to address situational barriers, and connecting to other community agencies for additional necessary services.

1. The Contractor must assess the Social Support needs of referred clients and provide comprehensive Social Support Services matched to the assessed needs of the client. The Contractor must provide creative approaches and services that will facilitate successfully meeting the Key Performance Measures (KPMs).
2. When a client is referred for a Social Support Service Type, the Contractor is authorized to provide any Social Support Service Type(s) within the **OS Service Parameters** to that client, according to the client's assessed needs. A Social Support referral authorizes the Contractor to provide all necessary Social Support Service Types for the duration of the client's eligibility (typically the end of parole), so long as there is a documented need for the service.

ORU and PMCD staff will monitor service utilization annually to ensure that clients are only being given services matched to their assessed needs and that the Contractor is not billing for services frivolously.

Authorization could be limited by ORU if service utilization is frivolous or excessive.

F. Health and Behavioral Health Services: The Contractor must provide Health and Behavioral Health Services and case coordination activities to referred clients according to the **OS Service Parameters**. The Contractor must assess the needs of clients and facilitate access to benefits and services for healthcare, including mental healthcare.

1. The Contractor must provide comprehensive Health and Behavioral Health Services and match these services to the assessed needs of the client.

G. All services provided must be authorized within the OS Service Parameters issued by the State.

H. State funds must be expended in accordance with the **OS Financial Guide** issued by the State.

I. Key Performance Measures (KPMs)

Contractors will earn financial bonuses or owe financial credits to the State annually on 4 Key Performance Measures (KPMs) as outlined in Section 7.2 below and defined as follows:

1. **LONG-TERM HOUSING PLACEMENT**: Percentage of clients who exit OS-funded housing and move into a Long-term Housing location during an open enrollment period for 24/7 Structured Housing or Base Housing, compared to those who exit Neutral, Unsuccessful, or leave OS-funded housing without a Long-Term Housing Placement.

To count toward the KPM, the Long-Term Housing placement must be made before the end of the client's term of MDOC supervision period and/or OS eligibility. A Long-Term Housing location is defined as one of the following:

- a. Client received a Housing Choice Voucher, has signed their lease, and moved into their unit;
- b. Client moved into housing with a private landlord;
- c. Client purchased a home or adequate living space (ex. condo);
- d. Client has moved in with a friend or family member supported by the agent and the OSAA;
- e. Client moved into an Adult Foster Care home;

- f. Client moved into sober-living or recovery housing that is expected to last at least 6 months. (This does not include substance abuse treatment facilities); or
- g. Client moved into another housing location approved as countable by the ORU.

The number of placements will be counted monthly, defined as the number of clients with an Open referral and an Enrollment Date who begin living in a new placement at a Long-Term Housing location during the Service Month. Individuals with a placement may be counted more than once if they were previously counted, subsequently had a new Residential Stability referral, and have a new Long-Term Housing placement.

Contractors must maintain documentation to show that the client had a Long-Term Housing Placement. Documentation could indicate copies of leases, OMNI case notes, emails from Field Agents, copies of State ID with the housing address listed, or any other reasonable documentation to validate the placement.

2. **ECONOMIC STABILITY INITIAL PLACEMENT:** Percentage of clients who get on a “Path to Economic Stability” as evidenced by meeting one of the following:

- a. Client begins working at least 30 hours per week with wages not funded in whole, or in part, by State and/or Federal government employment funds. Clients may meet the hourly requirement at one job, or a combination of jobs.
- b. Client begins receiving SSI/SSDI plus working 20 hours/week with wages not funded whole, or in part, by State and/or Federal government employment funds. Clients may meet the hourly requirement at one job, or a combination of jobs.
- c. Client begins working at least 20 hours per week and the supervising Field Agent states that the client does not “need” to work more than 20 hours due to having a permanent affordable housing solution such as living with family.
- d. Client begins to receive at least \$700/month in legitimately obtained unearned income or other non-wage-based earned income (ex. retirement income or Veterans benefits) expected to continue beyond the client’s term of MDOC supervision. This means of meeting the definition may only be counted for those whose Field Agent has determined the client does not “need” to work due to having a permanent affordable housing solution such as living with family. Otherwise, clients must work at least 20 hours per week, in addition to receiving at least \$700 in such income in

order to meet the definition.

- e. Client begins actively participating in an educational program as follows:
 - i. Full-time enrollment in Career Technical Education or Post-Secondary Education or High School Equivalency (Full-time status is defined by the program. If the program does not define full-time status, full-time will be considered 30 hours/week average of classroom and study time combined). Clients can participate in multiple educational programs to meet the 30 hour/week threshold. For example, a client could meet the definition by being enrolled in a High School Equivalency program for 10 hours per week and a Career Technical Education program for 20 hours per week.
 - ii. Part-time enrollment in Career Technical Education or Post-Secondary Education or High School Equivalency combined with unsubsidized employment to total at least 30 hours/week average of combined classroom, study time, and employment.

The number of placements will be counted monthly, defined as the number of referred clients with an Open referral and an Enrollment Date who begin a new Economic Stability Initial Placement during the Service Month. Individuals with a placement may be counted more than once if they were previously counted, subsequently had a new applicable referral, and had a new Economic Stability Initial Placement.

Contractors must maintain documentation to show that the client had a new Economic Stability Initial Placement. Documentation could include letters from the Veterans Administration, documentation from educational institutions, OMNI case notes, emails from Field Agents, documentation from employers, paystubs, or any other reasonable documentation to validate the placement.

- 3. **ECONOMIC STABILITY RETENTION:** Percentage of people initially placed under KPM 2 who continue to meet the definition of “Path to Economic Stability”, each month for 12 months or until the end of their supervision and/or OS eligibility period.
 - a. Retention will be counted as the number of clients who previously had a new Economic Stability Initial Placement and continue to meet the definition of Economic Stability Retention during the Service Month. The retention period extends from the month of the Initial Economic Stability Placement until the person is marked “Not Retained”, for 12 months from the month of the Initial Placement, or until the end of the client’s MDOC

supervision period. Each month, ORU will count the individuals in that pool as “Retained” or “Not Retained”. A client is considered “Not Retained” when they fail to meet one of the 3 criteria above for 30 consecutive days or longer. When a client is marked “Not Retained”, Contractors are encouraged to continue to reach out to the Field Agent for a CFJ-140 referral authorizing them to continue working with the client to obtain a new Economic Stability Initial Placement. This would start a new retention period.

Clients may be considered “retained” in different ways throughout their retention period. For example, a person who drops out of or completes their educational program but begins a job that meets the Employment definition within 30 days is considered retained. A person who discontinues a job but begins receiving SSI/SSDI and has permanent affordable housing is considered retained. A person who discontinues a job and does not begin a new job, meet the education definition, or begin receiving SSI/SSDI meeting the requirement within 30 days would be considered “not retained”.

If a client leaves a job to participate in a full-time training program for a better employment opportunity causing a period of unemployment over 30 days, ORU may allow the OSAA to continue counting that job retention on a case-by-case basis.

If a client has a job that is likely to lead a client to long-term self-sufficiency but is seasonal in nature with annual lay-off periods, contractors may request that ORU grant an exception that allows the client to be considered “employed” through a seasonal layoff.

b. Documentation

Contractors must maintain monthly documentation to support the Economic Stability Retention for each person with an Economic Stability Initial Placement until the end of their retention period.

Job Retention status shall be confirmed with the employer using the **Employment Verification Template** provided by ORU, or any other form so long as it contains the required information. Contractor staff should make initial contact with the employer to establish communication that will facilitate job retention. Monthly contact with the employer should include the following topics:

- i. Whether the person is still employed and whether any information needs to be updated
- ii. Any barriers that need to be addressed
- iii. Any performance issues that should be commended or addressed
- iv. Needed services that OSAA can provide

v. Hiring needs of the employer

If employment cannot be confirmed with the employer, other verification such as paystubs, OMNI, agent information, the Work Number, or Employer Resource Networks may be used to document employment so long as the following information can be established:

- i. Hours per week worked
- ii. Hourly Pay Rate
- iii. Occupation
- iv. Date
- v. Name of the employer
- vi. Name of the person verifying this information

Clients working for cash may still be tracked and reported if the job is expected to lead to self-sufficiency and if their income is verified through the employer.

Self-Employment must be verified by completing the **Self-Employment Verification Cover Sheet** provided by ORU, and the supporting documentation must be attached. Self-reporting by the client without additional verification is not sufficient documentation. Documentation may consist of personal checks, business receipts, billing invoices, accounting records or tax records. Tax records are the preferred method of documentation. The cover sheet includes the following formulas:

- i. Monthly net business sales (gross revenue minus expenses) divided by the State minimum wage equals Monthly Actual Hours.
- ii. Monthly Actual Hours divided by number of weeks in the month, equals average Weekly Actual Hours.

Documentation of other Economic Stability Retention activities could include letters from the Veterans Administration, Social Security Administration, documentation from educational institutions, OMNI case notes, emails from Field Agents, or any other reasonable documentation to validate that the client continues to meet the retention definition.

Contractors must maintain documentation to support the Economic Stability Retention. Job Retention must be documented according to the requirements outlined in the contract. Other documentation could include letters from the Social Security Administration, documentation from educational institutions, OMNI case notes, emails from Field Agents, or any other reasonable documentation to validate the retention.

4. **LEVERAGED GOODS AND SERVICES, CONNECTING AND LINKING TO PUBLIC FUNDING SOURCES:** OSAA's are expected to leverage goods and services to complement what they fund.

- a. **Leveraged Goods and Services:** A good or service leveraged through the direct efforts of the OSAA through either direct administration of their agency's managed-funding or a written/verbal agreement between the OSAA and the agency providing the leveraged service. There are two types:
 - i. A good or service tied to a Service Type authorized within Service Parameters which was not paid for with OS funds. This does not include funds available to the public unless the funding was obtained through the direct effort of the OSAA.
 - ii. A good or service that is allowable but not tied to a Service Type in the Service Parameters, such as Resource Specialist, Job Developer and Operations Support Costs. Operation Support covers: Community Coordinator, Community Coordinator Travel, Outreach and Education, In-Reach, Training and Professional Development and General Administration

When a contractor obtains matching funds, the amount that the partner provides as a match is considered the leveraged amount.

- b. **Public Funding Access:** Access to publicly available funding obtained for a client by OSAA efforts such as PELL Grants, SNAP benefits, WIOA funding, etc. There are two types:
 - i. Funding tied to a Service Type authorized within Service Parameters obtained through the direct effort of the OSAA.
 - ii. Funding not tied to a Service Type in the Service Parameters, such as funding for higher education.

OS Regional Governance Structure (RGS)

- J. The Contractor must ensure that a Steering Team (ST) is established, and its staffing is representative of the surrounding community in terms of public safety, job development and training interests.

The Contractor must ensure that the ST is led by the group's five Co-Chairs according to the **OS Regional Governance Structure**.

- K. The Contractor must ensure the establishment of one regional Steering Team.
- L. The Contractor is responsible for the administrative support responsibilities and activities for the **OS Regional Governance Structure** to include:

1. Program, fiscal monitoring and reporting to ensure program fidelity and Contract compliance.
 2. Appointment of a management level staff person to the ST as the Administrative Agency Co-Chair.
 3. Project management oversight covering day-to-day operations of the Contract with the State.
- M. The Contractor must ensure that the Community Coordinator responsibilities are performed to include at minimum:
1. Staff Steering Teams and Advisory Councils.
 2. Document and circulate best practices learned from a variety of sources to be incorporated in day-to-day service provision.
 3. Provide high level technical assistance to service providers, consult on program development, engage in partnership negotiations, and provide leadership to build capacity.
 4. Monitor the effectiveness of programs in all stages of service delivery beginning with requests for proposals through the monitoring of outcomes.
- N. The Contractor must ensure that one or more Regional Reentry Advisory Councils are established to create a strong base for community support and act as a vehicle for public education with the chairperson of that council selected to represent the council and serve as the Community Co-Chair on the ST.
- O. Establishing and Leveraging Partnerships
1. The Contractor must establish and leverage partnerships with local human service agencies, workforce development agencies, housing authorities, local units of government, Faith-Based and/or Community Organizations, educational institutions, employers, and other entities necessary to provide services and support for enrolled clients.
 2. The Contractor must ensure that processes are in place to seek, develop and leverage other funding sources ensuring that State funding is used as gap funding to support services to returning clients.
 3. The Contractor must report all funding for services and support which the Contractor is able to leverage according to the **OS Data Collection Instructions**.
- P. Service Navigation Guide
- The Contractor must develop a Navigation Guide for Local Services for their region in electronic format such as a Word Document or PDF. The Guide must be provided to the local FOA Co-Chair and serve as a tool for Field Agents to assist in their orientation of clients on available services within the OS

Administrative Agency Service Contract and for referring clients to those services deemed appropriate by the Field Agent to address their needs. At a minimum, the guide must provide for a collection of county fact sheets (one fact sheet for each county covered within the OS Region) by the Contractor so that individual fact sheets can be shared with, and used as a tool by, each FOA Field Office within the OS Region serviced by the Contractor. Each county fact sheet must include the following, at a minimum:

1. Contact Information: Name, address, phone, and website (if available) for processing CFJ-140 referrals for contracted services. Contractors may develop a brief process-flow for Field Agents to summarize the referral process.
2. Menu of Services with a brief description of each service (both State Contract-funded and leveraged by the Contractor) for which Field Agents may process a CFJ-140 referral form for accessing. The menu should subscribe to the Service Category/Service Type format to be consistent with the **OS Service Parameters**.

The Guide must have input from the local ST and be approved by the local Co-Chairs and then by the ORU Specialist or Manager. The Guide must be updated when additions or deletions occur, or as directed by the State.

Q. Financial and Program Oversight

1. The Contractor must submit an unsigned copy of all subcontracts or agreements which derive their funding from State Contract funds to the State-FOA Co-Chair and ORU for review. The State reserves the right to disapprove or otherwise disallow State funding within the subcontract or agreement initially, or anytime during the subcontract term. Such disallowance or disapproval will be for cause and provided in writing to the Contractor by the State within 30 calendar days of submission to the State by the Contractor.
2. The Contractor must submit a signed and executed copy of each approved subcontract or agreement, which derives its funding from State Contract funding to ORU within 14 calendar days after receipt of ORU's written/signed approval. If more than 14 days are needed, the contractor must gain ORU approval prior to the 14-day limit. (This standard will not apply if the Contractor decides not to proceed with the subcontractor after gaining ORU's approval.)
3. The Contractor must not contract with any party which is debarred or suspended or is otherwise excluded from, or ineligible for, participation in State or federal programs. The State suspension and debarment listing

can be accessed at:

http://www.michigan.gov/documents/buymichiganfirst/DebarredVendorList_230774_7.pdf

The federal debarment listing can be accessed at:

<https://sam.gov/data-services/Exclusions/Public%20V2?privacy=Public>

4. The State may request the removal of Contractor personnel to provide services under this Contract if found, in the judgment of the State, to be unacceptable. This request will be in writing.
5. The Contractor must act as the Administrative Agency responsible for the administration of State Contract funds. The Contractor will be responsible for all financial expenditures and for providing financial reports and documentation as required by the State. The Contractor will be responsible for the legitimacy of all expenditures reported by all subcontractors. Expenditures that are not approved by the State may be deemed void and not reimbursable. The Contractor must maintain a financial management system which fully and accurately accounts for the use of funds it administers. At a minimum, the system must include all of the following:
 - a. A separate, special revenue fund to account for revenues received and expenditures made under this contract.
 - b. Source documentation to support client referrals, Contractor expenses, and expenditure of Contract funds. Copies of source documentation must be provided to the State upon request. Original source documentation may be maintained either by the Contractor or, for an expense incurred by a subcontractor, by the subcontractor. Source documentation must be available for review at the Contractor's place of business upon request from the State.
 - c. Financial controls that assure appropriate separation of duties in the approval and payment of expenses.
 - d. A uniform accounting system that conforms to Generally Accepted Accounting Principles.
 - e. A process that minimizes the time between receipt of revenue from the State and disbursement of payments to service providers in order to maintain services without interruption.
 - f. Written procedures for the procurement of goods and services consistent with all of the following:
 - i. Assuring that the State receives the best value for goods and services.
 - ii. Avoiding real or apparent conflicts of interest.

- iii. Selecting subcontractors and suppliers on a competitive basis to the maximum extent practicable consistent with the objectives and requirements of this Contract.
 - iv. At a minimum, the procedures must include steps that identify circumstances under which quotes are obtained or competitive bidding is to be conducted, and that provide for individuals engaged in procurement of goods or services to certify the absence of any conflicts of interest. When feasible, the Contractor should participate in intergovernmental agreements for procurement of equipment and supplies.
- 6. Ensure that Administrative Costs within a subcontract or agreement derive their funding from either separately obtained non-State funding and/or Administrative Costs within the Contract.
- 7. The State Contract funding may be used as matching funds to acquire additional public and private resources with ORU approval. Non-OS dollars that match State MDOC funds are considered a leveraged resource.
- 8. The Contractor must provide projections of total year-end spending by category, as specified by the State.
- 9. A Budget Adjustment Request (BAR) form must be completed by the Contractor and submitted to the State when requesting to shift funding between approved Service Categories, between Service Types within Categories, and when requesting an increase to the total approved budget. The BAR form will be provided to Contractors upon award. A proposed funding change is not effective until a BAR is approved by the State. The Contractor must follow the following process for submitting a BAR to the State for processing and/or approval:
 - a. Obtain approval from the ST Co-Chairs.
 - b. Provide justification/rationale for the movement of funds.
 - c. Submit the BAR form provided by the State to the State's Program Manager.
- 10. At least once during each Contract Year, the Contractor must conduct a formal site review, either on-site or virtual, of each subcontractor's operations and provide copies of the site review reports to the Contract Monitor – PMCD, ORU Community Liaison no later than 30 days following completion of the report. At a minimum, the review must include:
 - a. Compliance with subcontract financial requirements.
 - b. Compliance with subcontract programmatic requirements.

- c. Compliance with subcontract performance measures and outcomes.
- d. Compliance with correcting deficiencies cited by prior reviews.

The State reserves the right to attend any formal site reviews conducted by the Contractor.

11. The Contractor must submit to the Contract Monitor – PMCD, ORU Community Liaison and mpristatements@michigan.gov, complete and accurate data, as required by the State, with **OS Data Collection Spreadsheet** due to the State by the 20th calendar day following the monthly reporting period.

R. Incident Reporting

The Contractor must adhere to this protocol when reporting the below incident types to the State that occur in MDOC contracted/sub-contracted housing locations. For purposes of MDOC-contracted housing locations, these would be 24/7 and Base Housing locations funded through the ORU. The Contractor must immediately report an incident when the Contractor/subcontractor first becomes aware of the incident as noted below. Immediately is when there is enough information to share client name/number, what occurred and between whom. The Contractor must ensure housing contractors and staff employed through the Contractor adhere to this protocol.

1. Deaths. When the Contractor first becomes aware of a death, they must immediately notify, in writing via email, the supervising field agent, appropriate Contract Monitor – PMCD, ORU Community Liaison and the MDOC Program Manager with details covering:
 - a. Client Name/Number
 - b. Location and estimated time of death
 - c. Circumstances surrounding the death (illness, suspected overdose, assault, suspicious circumstances)
 - d. Involved staff names, their titles and any actions taken.
2. The following three incident types must be reported on the OS Incident Notification form and emailed to the supervising field agent, appropriate Contract Monitor – PMCD, ORU Community Liaison and the MDOC Program Manager:
 - a. Client injury/illness requiring hospitalization.
 - b. Unusual event which may attract public or media attention. An example of an unusual event is the removal or transfer of a client or group of clients from housing due to uninhabitable living conditions.
 - c. Prison Rape Elimination Act (PREA) incidents.

S. American Disabilities Act

1. For services (excluding community-based residential/housing):
 - a. The Contractor must comply with the Americans with Disabilities Act (ADA) and the Rehabilitation Act and must notify the designated MDOC Program Manager or designee within 24 hours of any request for reasonable accommodation for a client.
 - b. The Contractor must comply with the ADA and the Rehabilitation Act and must notify the designated MDOC Program Manager, PMCD Contract Manager or designee within 24 hours of any request for reasonable accommodation made by Contractor's staff, including temporary and subcontractor staff.
 - c. All reasonable accommodation aids, services, and equipment needed for Contractor's staff, including temporary and subcontractor staff, is to be provided by the Contractor.
2. For community-based residential/housing:
 - a. The Contractor must comply with the Americans with Disabilities Act (ADA), Rehabilitation Act, and Fair Housing Act and must notify the designated MDOC Program Manager or designee within 24 hours of any request for reasonable accommodation for a client, including housing.
 - b. The Contractor must comply and must notify the designated MDOC Program Manager, PMCD Contract Manager or designee within 24 hours of any request for reasonable accommodation made by Contractor's staff, including temporary and subcontractor staff.
 - c. All reasonable accommodation aids, services, and equipment needed for Contractor's staff, including temporary and subcontractor staff, is to be provided by the Contractor.

1.2. Transition

A. Transition – Prior to Contract Start Date

The Contractor must ensure to work in partnership with MDOC, all out-going Administrative Agencies and service providers, to deliver uninterrupted services and administrative support to ensure the continuity of care to the clients, including infrastructure of systems, staffing and service providers. The Contractor is responsible for a customized plan of action to ensure a seamless transition in all aspects of contracted services. To accomplish this, the Contractor activities must include, but are not limited to, the following:

1. Regular, scheduled communication with key MDOC personnel, Regional STs and Advisory Councils and services providers;
2. Recruitment initiatives designed to retain incumbent personnel;

3. Implementation of a comprehensive orientation and in-service training program;
4. Transition of services from current Contractors (if applicable);
5. Development of systems to ensure monthly data collection for cost-reporting and service activities are in place.
6. Ensure the availability of key staff to receive training for monthly data collection and reporting.
7. Planning around Job Development and recruitment for employers
8. Key objectives are accomplished:
 - a. Continue In-Reach activities for participation in Transition Team Meetings and Community Orientations
 - b. Establish ST (ST) and Advisory Council (AC) body membership
 - c. Service agreements in place

Within 10 days of Contract Award Date, the Contractor must submit a final version of their transition project plan. The Contractor must continue to revise the transition plan and submit to the MDOC Program Manager (PM) no less than on a monthly basis until all items have been successfully implemented, per the MDOC PM's input on progression of, or acceptance of, each item. The plan must include: (a) the Contractor's organizational chart with names and title of personnel assigned to the project, which must align with the staffing stated in accepted proposals; and (b) the project breakdown showing sub-projects, tasks, and resources required. The Resource Navigation Guide must also be completed during this period in a format determined by the State.

Note: Contractors will not be compensated nor reimbursed for efforts with carrying out approved project plans during the transition period.

1.3. MDOC Provided Training

1. Contractor and/or subcontractor staff, as applicable, providing services under the MDOC contract are required to complete MDOC training prior to providing services or entering into MDOC facilities. The training assigned will be specific to Contractor worksite, level of offender contact, and the services provided under the Contract. Contact the MDOC Contract Manager or designee with any questions concerning MDOC training.
2. Contractor and/or subcontractor staff must complete MDOC provided training annually before the end of training year. (The State's training year is October 1st through September 30th.)
3. Contractor and/or subcontractor staff must annually review and accept the MDOC Vendor Rules and Regulations (formerly known as the Vendor Handbook) document as one of the training requirements.

Contractor staff, including temporary and subcontractor staff, that provide direct services to clients, handle or may have access to client records, or provides supervisory services to staff performing these functions, must review and verify acceptance of the MDOC Vendor Rules and Regulations as directed by the MDOC. The purpose of the MDOC Vendor Rules and Regulations is to provide the Contractor with general information regarding basic requirements of providing services to the MDOC and provide notice of work rules. Any revisions to the document will be provided to the Contractor throughout the Contract period, and all contractual staff, including temporary and subcontractor staff, must comply with all documentation provided. The Contractor must maintain copies of their staff's completion certificates for auditing purposes.

- i. The Contractor will ensure that all subcontracts require subcontractor and subcontractor employees to comply with the MDOC's applicable Vendor Rules and Regulations. The Contractor will maintain records of all subcontractor and subcontractor employee signed Vendor Rules and Regulations for auditing purposes.
 - ii. In accordance with MDOC instruction, Contractor staff and subcontractor staff who provide direct services to clients must complete MDOC provided training before providing services under this Contract. Exceptions may be made for transfers or employees with prior MDOC work experience in similar positions who have completed MDOC training previously. Contact the MDOC Contract Monitor with any questions concerning MDOC training.
4. Any contractor staff and/or subcontractor staff who do not complete training by the annual September 30th training deadline may have their permission to provide contract deliverables revoked, as determined by the Program Manager or designee.

1.4. Specific Standards

IT Policies, Standards and Procedures (PSP)

Contractors are advised that the State has methods, policies, standards and procedures that have been developed over the years. Contractors are expected to provide proposals that conform to State IT policies and standards. All services and products provided in this Contract must comply with all applicable State IT policies and standards. Contractor is required to review all applicable links provided below and state compliance in their response.

Public IT Policies, Standards and Procedures (PSP):

[DTMB - IT Policies, Standards & Procedures \(\[michigan.gov\]\(https://michigan.gov\)\)](https://michigan.gov/DTMB/0,4570,7-323_7-324_7-325_7-326_7-327_7-328_7-329_7-330_7-331_7-332_7-333_7-334_7-335_7-336_7-337_7-338_7-339_7-340_7-341_7-342_7-343_7-344_7-345_7-346_7-347_7-348_7-349_7-350_7-351_7-352_7-353_7-354_7-355_7-356_7-357_7-358_7-359_7-360_7-361_7-362_7-363_7-364_7-365_7-366_7-367_7-368_7-369_7-370_7-371_7-372_7-373_7-374_7-375_7-376_7-377_7-378_7-379_7-380_7-381_7-382_7-383_7-384_7-385_7-386_7-387_7-388_7-389_7-390_7-391_7-392_7-393_7-394_7-395_7-396_7-397_7-398_7-399_7-400_7-401_7-402_7-403_7-404_7-405_7-406_7-407_7-408_7-409_7-410_7-411_7-412_7-413_7-414_7-415_7-416_7-417_7-418_7-419_7-420_7-421_7-422_7-423_7-424_7-425_7-426_7-427_7-428_7-429_7-430_7-431_7-432_7-433_7-434_7-435_7-436_7-437_7-438_7-439_7-440_7-441_7-442_7-443_7-444_7-445_7-446_7-447_7-448_7-449_7-450_7-451_7-452_7-453_7-454_7-455_7-456_7-457_7-458_7-459_7-460_7-461_7-462_7-463_7-464_7-465_7-466_7-467_7-468_7-469_7-470_7-471_7-472_7-473_7-474_7-475_7-476_7-477_7-478_7-479_7-480_7-481_7-482_7-483_7-484_7-485_7-486_7-487_7-488_7-489_7-490_7-491_7-492_7-493_7-494_7-495_7-496_7-497_7-498_7-499_7-500_7-501_7-502_7-503_7-504_7-505_7-506_7-507_7-508_7-509_7-510_7-511_7-512_7-513_7-514_7-515_7-516_7-517_7-518_7-519_7-520_7-521_7-522_7-523_7-524_7-525_7-526_7-527_7-528_7-529_7-530_7-531_7-532_7-533_7-534_7-535_7-536_7-537_7-538_7-539_7-540_7-541_7-542_7-543_7-544_7-545_7-546_7-547_7-548_7-549_7-550_7-551_7-552_7-553_7-554_7-555_7-556_7-557_7-558_7-559_7-560_7-561_7-562_7-563_7-564_7-565_7-566_7-567_7-568_7-569_7-570_7-571_7-572_7-573_7-574_7-575_7-576_7-577_7-578_7-579_7-580_7-581_7-582_7-583_7-584_7-585_7-586_7-587_7-588_7-589_7-590_7-591_7-592_7-593_7-594_7-595_7-596_7-597_7-598_7-599_7-600_7-601_7-602_7-603_7-604_7-605_7-606_7-607_7-608_7-609_7-610_7-611_7-612_7-613_7-614_7-615_7-616_7-617_7-618_7-619_7-620_7-621_7-622_7-623_7-624_7-625_7-626_7-627_7-628_7-629_7-630_7-631_7-632_7-633_7-634_7-635_7-636_7-637_7-638_7-639_7-640_7-641_7-642_7-643_7-644_7-645_7-646_7-647_7-648_7-649_7-650_7-651_7-652_7-653_7-654_7-655_7-656_7-657_7-658_7-659_7-660_7-661_7-662_7-663_7-664_7-665_7-666_7-667_7-668_7-669_7-670_7-671_7-672_7-673_7-674_7-675_7-676_7-677_7-678_7-679_7-680_7-681_7-682_7-683_7-684_7-685_7-686_7-687_7-688_7-689_7-690_7-691_7-692_7-693_7-694_7-695_7-696_7-697_7-698_7-699_7-700_7-701_7-702_7-703_7-704_7-705_7-706_7-707_7-708_7-709_7-710_7-711_7-712_7-713_7-714_7-715_7-716_7-717_7-718_7-719_7-720_7-721_7-722_7-723_7-724_7-725_7-726_7-727_7-728_7-729_7-730_7-731_7-732_7-733_7-734_7-735_7-736_7-737_7-738_7-739_7-740_7-741_7-742_7-743_7-744_7-745_7-746_7-747_7-748_7-749_7-750_7-751_7-752_7-753_7-754_7-755_7-756_7-757_7-758_7-759_7-760_7-761_7-762_7-763_7-764_7-765_7-766_7-767_7-768_7-769_7-770_7-771_7-772_7-773_7-774_7-775_7-776_7-777_7-778_7-779_7-780_7-781_7-782_7-783_7-784_7-785_7-786_7-787_7-788_7-789_7-790_7-791_7-792_7-793_7-794_7-795_7-796_7-797_7-798_7-799_7-800_7-801_7-802_7-803_7-804_7-805_7-806_7-807_7-808_7-809_7-810_7-811_7-812_7-813_7-814_7-815_7-816_7-817_7-818_7-819_7-820_7-821_7-822_7-823_7-824_7-825_7-826_7-827_7-828_7-829_7-830_7-831_7-832_7-833_7-834_7-835_7-836_7-837_7-838_7-839_7-840_7-841_7-842_7-843_7-844_7-845_7-846_7-847_7-848_7-849_7-850_7-851_7-852_7-853_7-854_7-855_7-856_7-857_7-858_7-859_7-860_7-861_7-862_7-863_7-864_7-865_7-866_7-867_7-868_7-869_7-870_7-871_7-872_7-873_7-874_7-875_7-876_7-877_7-878_7-879_7-880_7-881_7-882_7-883_7-884_7-885_7-886_7-887_7-888_7-889_7-890_7-891_7-892_7-893_7-894_7-895_7-896_7-897_7-898_7-899_7-900_7-901_7-902_7-903_7-904_7-905_7-906_7-907_7-908_7-909_7-910_7-911_7-912_7-913_7-914_7-915_7-916_7-917_7-918_7-919_7-920_7-921_7-922_7-923_7-924_7-925_7-926_7-927_7-928_7-929_7-930_7-931_7-932_7-933_7-934_7-935_7-936_7-937_7-938_7-939_7-940_7-941_7-942_7-943_7-944_7-945_7-946_7-947_7-948_7-949_7-950_7-951_7-952_7-953_7-954_7-955_7-956_7-957_7-958_7-959_7-960_7-961_7-962_7-963_7-964_7-965_7-966_7-967_7-968_7-969_7-970_7-971_7-972_7-973_7-974_7-975_7-976_7-977_7-978_7-979_7-980_7-981_7-982_7-983_7-984_7-985_7-986_7-987_7-988_7-989_7-990_7-991_7-992_7-993_7-994_7-995_7-996_7-997_7-998_7-999_8000_8001_8002_8003_8004_8005_8006_8007_8008_8009_8010_8011_8012_8013_8014_8015_8016_8017_8018_8019_8020_8021_8022_8023_8024_8025_8026_8027_8028_8029_8030_8031_8032_8033_8034_8035_8036_8037_8038_8039_8040_8041_8042_8043_8044_8045_8046_8047_8048_8049_8050_8051_8052_8053_8054_8055_8056_8057_8058_8059_8060_8061_8062_8063_8064_8065_8066_8067_8068_8069_8070_8071_8072_8073_8074_8075_8076_8077_8078_8079_8080_8081_8082_8083_8084_8085_8086_8087_8088_8089_8090_8091_8092_8093_8094_8095_8096_8097_8098_8099_8100_8101_8102_8103_8104_8105_8106_8107_8108_8109_8110_8111_8112_8113_8114_8115_8116_8117_8118_8119_8120_8121_8122_8123_8124_8125_8126_8127_8128_8129_8130_8131_8132_8133_8134_8135_8136_8137_8138_8139_8140_8141_8142_8143_8144_8145_8146_8147_8148_8149_8150_8151_8152_8153_8154_8155_8156_8157_8158_8159_8160_8161_8162_8163_8164_8165_8166_8167_8168_8169_8170_8171_8172_8173_8174_8175_8176_8177_8178_8179_8180_8181_8182_8183_8184_8185_8186_8187_8188_8189_8190_8191_8192_8193_8194_8195_8196_8197_8198_8199_8200_8201_8202_8203_8204_8205_8206_8207_8208_8209_8210_8211_8212_8213_8214_8215_8216_8217_8218_8219_8220_8221_8222_8223_8224_8225_8226_8227_8228_8229_8230_8231_8232_8233_8234_8235_8236_8237_8238_8239_8240_8241_8242_8243_8244_8245_8246_8247_8248_8249_8250_8251_8252_8253_8254_8255_8256_8257_8258_8259_8260_8261_8262_8263_8264_8265_8266_8267_8268_8269_8270_8271_8272_8273_8274_8275_8276_8277_8278_8279_8280_8281_8282_8283_8284_8285_8286_8287_8288_8289_8290_8291_8292_8293_8294_8295_8296_8297_8298_8299_8300_8301_8302_8303_8304_8305_8306_8307_8308_8309_8310_8311_8312_8313_8314_8315_8316_8317_8318_8319_8320_8321_8322_8323_8324_8325_8326_8327_8328_8329_8330_8331_8332_8333_8334_8335_8336_8337_8338_8339_8340_8341_8342_8343_8344_8345_8346_8347_8348_8349_8350_8351_8352_8353_8354_8355_8356_8357_8358_8359_8360_8361_8362_8363_8364_8365_8366_8367_8368_8369_8370_8371_8372_8373_8374_8375_8376_8377_8378_8379_8380_8381_8382_8383_8384_8385_8386_8387_8388_8389_8390_8391_8392_8393_8394_8395_8396_8397_8398_8399_8400_8401_8402_8403_8404_8405_8406_8407_8408_8409_8410_8411_8412_8413_8414_8415_8416_8417_8418_8419_8420_8421_8422_8423_8424_8425_8426_8427_8428_8429_8430_8431_8432_8433_8434_8435_8436_8437_8438_8439_8440_8441_8442_8443_8444_8445_8446_8447_8448_8449_8450_8451_8452_8453_8454_8455_8456_8457_8458_8459_8460_8461_8462_8463_8464_8465_8466_8467_8468_8469_8470_8471_8472_8473_8474_8475_8476_8477_8478_8479_8480_8481_8482_8483_8484_8485_8486_8487_8488_8489_8490_8491_8492_8493_8494_8495_8496_8497_8498_8499_8500_8501_8502_8503_8504_8505_8506_8507_8508_8509_8510_8511_8512_8513_8514_8515_8516_8517_8518_8519_8520_8521_8522_8523_8524_8525_8526_8527_8528_8529_8530_8531_8532_8533_8534_8535_8536_8537_8538_8539_8540_8541_8542_8543_8544_8545_8546_8547_8548_8549_8550_8551_8552_8553_8554_8555_8556_8557_8558_8559_8560_8561_8562_8563_8564_8565_8566_8567_8568_8569_8570_8571_8572_8573_8574_8575_8576_8577_8578_8579_8580_8581_8582_8583_8584_8585_8586_8587_8588_8589_8590_8591_8592_8593_8594_8595_8596_8597_8598_8599_8600_8601_8602_8603_8604_8605_8606_8607_8608_8609_8610_8611_8612_8613_8614_8615_8616_8617_8618_8619_8620_8621_8622_8623_8624_8625_8626_8627_8628_8629_8630_8631_8632_8633_8634_8635_8636_8637_8638_8639_8640_8641_8642_8643_8644_8645_8646_8647_8648_8649_8650_8651_8652_8653_8654_8655_8656_8657_8658_8659_8660_8661_8662_8663_8664_8665_8666_8667_8668_8669_8670_8671_8672_8673_8674_8675_8676_8677_8678_8679_8680_8681_8682_8683_8684_8685_8686_8687_8688_8689_8690_8691_8692_8693_8694_8695_8696_8697_8698_8699_8700_8701_8702_8703_8704_8705_8706_8707_8708_8709_8710_8711_8712_8713_8714_8715_8716_8717_8718_8719_8720_8721_8722_8723_8724_8725_8726_8727_8728_8729_8730_8731_8732_8733_8734_8735_8736_8737_8738_8739_8740_8741_8742_8743_8744_8745_8746_8747_8748_8749_8750_8751_8752_8753_8754_8755_8756_8757_8758_8759_8760_8761_8762_8763_8764_8765_8766_8767_8768_8769_8770_8771_8772_8773_8774_8775_8776_8777_8778_8779_8780_8781_8782_8783_8784_8785_8786_8787_8788_8789_8790_8791_8792_8793_8794_8795_8796_8797_8798_8799_8800_8801_8802_8803_8804_8805_8806_8807_8808_8809_8810_8811_8812_8813_8814_8815_8816_8817_8818_8819_8820_8821_8822_8823_8824_8825_8826_8827_8828_8829_8830_8831_8832_8833_8834_8835_8836_8837_8838_8839_8840_8841_8842_8843_8844_8845_8846_8847_8848_8849_8850_8851_8852_8853_8854_8855_8856_8857_8858_8859_8860_8861_8862_8863_8864_8865_8866_8867_8868_8869_8870_8871_8872_8873_8874_8875_8876_8877_8878_8879_8880_8881_8882_8883_8884_8885_8886_8887_8888_8889_8890_8891_8892_8893_8894_8895_8896_8897_8898_8899_8900_8901_8902_8903_8904_8905_8906_8907_8908_8909_8910_8911_8912_8913_8914_8915_8916_8917_8918_8919_8920_8921_8922_8923_8924_8925_8926_8927_8928_8929_8930_8931_8932_8933_8934_8935_8936_8937_8938_8939_8940_8941_8942_8943_8944_8945_8946_8947_8948_8949_8950_8951_8952_8953_8954_8955_8956_8957_8958_8959_8960_8961_8962_8963_8964_8965_8966_8967_8968_8969_8970_8971_8972_8973_8974_8975_8976_8977_8978_8979_8980_8981_8982_8983_8984_8985_8986_8987_8988_8989_8990_8991_8992_8993_8994_8995_8996_8997_8998_8999_9000)

Acceptable Use Policy

To the extent that Contractor has access to the State's computer system, Contractor must comply with the State's Acceptable Use Policy, see [1340.00.130.02 Acceptable Use of Information Technology \(michigan.gov\)](https://www.michigan.gov/1340.00.130.02). All Contractor Personnel will be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State's system. The State reserves the right to terminate Contractor's access to the State's system if a violation occurs.

SOM Digital Standards

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

ADA Compliance

The State is required to comply with the Americans with Disabilities Act of 1990 (ADA) and has adopted standards and procedures regarding accessibility requirements for websites and software applications. All websites, applications, software, and associated content and documentation provided by the Contractor as part of the Solution must comply with Level AA of the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG) 2.0.

2. Acceptance

The State will use the following criteria to determine acceptance of the Contract Activities: Section 9 Acceptance of the Standard Contract Terms.

3. Staffing

3.1. Contractor Representative

The Contractor must appoint one Contractor Representative specifically assigned to this State of Michigan account, 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 30 calendar days before removing or assigning a new Contractor Representative.

Contractor Representative: Amber Paxton

3.2. Contract Administrator

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

State:	Contractor:
Marissa Gove 320 S Walnut St. Lansing, MI 48933 Govem1@michigan.gov 517-449-8952	Amber Paxton 1220 W Kalamazoo Lansing, MI 48915 Amber.Paxton@lansingmi.gov (517) 648-664

3.3. Program Manager

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

State:	Contractor:
Mariam DeLand 206 E Michigan Ave Lansing, MI 48933 Delandm1@michigan.gov 517-582-4311	

3.4. Customer Service Number

The Contractor must specify its number for the State to contact the Contractor Representative. The Contractor Representative must be available for calls during the hours of 8:00 am to 5:00 pm EST.

Customer Service Number: 517-648-6643

3.5. Work Hours

The Contractor must provide Contract Activities during the State’s normal working hours Monday – Friday, 8:00 a.m. to 5:00 p.m. EST and possible night and weekend hours depending on the requirements of the project.

3.6. Key Personnel

The Contractor must appoint one individual as Project Manager who will be directly responsible for the day-to-day operations of the Contract (“Key Personnel”). Key Personnel must be specifically assigned to the State account, be knowledgeable on the contractual requirements, and respond to State inquiries within 24 hours.

The Contractor’s Project Manager interacts with the designated personnel from the State to ensure a smooth transition and will coordinate all of the activities of the Contractor personnel assigned to the project. The responsibilities of the Contractor’s Project Manager include, at a minimum:

1. Manage all defined Contractor responsibilities in this Scope of Services.
2. Manage oversight of Contractor’s subcontractors, if any.
3. Develop the project plan; schedule and update as needed.
4. Serve as the point person for all project issues.
5. Coordinate and oversee the day-to-day project activities of the project team.
6. Assess and report project feedback and status.
7. Escalate project issues, project risks, and other concerns.
8. Review all project deliverables and provide feedback.
9. Proactively propose/suggest options and alternatives for consideration.
10. Prepare project documents and materials.
11. Manage and report on the project’s budget.

The State has the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of

the proposed assignment, introduce the individual to the State's Project Manager, and provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. The State may require a 30-calendar day training period for replacement personnel.

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

- (i) For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the credit amount will be \$5,000.00 per individual if Contractor identifies a replacement approved by the State and assigns the replacement to shadow the Key Personnel who is leaving for a period of at least 30-calendar days before the Key Personnel's removal.
- (ii) If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30-calendar days, in addition to the \$5,000.00 credit specified above, Contractor will credit the State \$166.67 per calendar day for each day of the 30-calendar day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$5,000.00 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 \$10,000.00 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, describe the functions they will perform, and provide current chronological résumés.

1. Name	2. Years of Experience in Current Classification	3. Role(s) / Responsibilities	4. Direct / Subcontract / Contract	5. % of Work Time	6. Physical Location
Amber Paxton	5	Program Manager	Direct	4%	Lansing, MI
Charles Roltsch	2	Community Coordinator, Data Contact	Contract	100%	Lansing, MI

3.7. Organizational Chart

The Contractor must provide an overall organizational chart that details staff members, by name and title, and subcontractors. In the event of staffing changes, the Contractor must submit an updated organizational chart.

3.8. Disclosure of Subcontractors

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

- The legal business name; address; telephone number; a description of subcontractor's organization and the services it will provide; and information concerning subcontractor's ability to provide the Contract Activities.
- The relationship of the subcontractor to the Contractor.
- Whether the Contractor has a previous working experience with the subcontractor. If yes, provide the details of that previous relationship.
- A complete description of the Contract Activities that will be performed or provided by the subcontractor
- **Geographically Disadvantaged Business Enterprise Sub-Contractors:** If contractors plan to utilize subcontractors to perform more than 20% of the deliverables under this contract, at least 20% of that subcontracted work must be awarded to Michigan-based Geographically Disadvantaged Business Enterprises (GDBE). Contractor will submit a plan detailing all subcontractors to be used, including the percentage of the work to be done by each. Contractor must inform the State to the name and address of the GDBE, the percentage of the work they will complete, the total amount estimated to be paid to the GDBE, and provide evidence for their qualifications as a GDBE. If contractor cannot find GDBE subcontractors to meet this requirement they must provide reasoning and justification to receive an exemption from this requirement from the State. (Existing business relationships will not be an approved reason for this.)

GDBE definition: "Geographically-Disadvantaged Business Enterprise" means a person or entity that satisfies one or more of the following: (i) Is certified as a HUBZone Small Business Concern by the United States Small Business Administration. (ii) Has a principal place of business located within a Qualified Opportunity Zone within Michigan. (iii) More than half of its employees have a principal residence located within a Qualified Opportunity Zone within Michigan, or both.

3.9. Security

The Contractor's staff may be required to make deliveries to or enter State facilities. The Contractor must: (a) explain how it intends to ensure the security of State facilities, (b) whether it uses uniforms and ID badges, etc., (c) identify the company that will perform background checks, and (d) the scope of the background checks.

A. Law Enforcement Information Network (LEIN)

The Contractor will be subject to the following security procedures:

1. No active police warrants or pending charges on any staff assigned to this Contract, including subcontractors.
2. MDOC reserves the right to approve, decline, or remove Contractor and subcontractor staff from providing services on this Contract.
3. Contractor staff that provide direct services to clients (prisoner, parolee, probationer), handle or may have access to offender records, or provides supervisory services to staff performing these functions, must complete the Law Enforcement Information Network (LEIN) Form at the start of the contract and annually thereafter, as directed by the Michigan Department of Corrections.
4. The completed LEIN Form must be sent to [MDOC-PMCD-FOA-LEINS@michigan.gov](mailto:LEINS@michigan.gov) and approved by MDOC prior to Contract staff working with MDOC clients. A copy of the applicable Driver's License or State ID shall be submitted along with the LEIN Form. There is no cost associated with the LEIN. The LEIN form will be provided to the Contractor.
5. Contractor must perform background checks on subcontractor staff prior to their assignment and annually thereafter. Documentation must be provided upon request to the State of Michigan. Contractor is responsible for all costs associated with the processing the background checks. The State, in its sole discretion, may also perform background checks. The background check must include the Michigan State Police Internal Criminal History Access Tool (ICHAT), or the municipal/federal equivalent. The Contractor must maintain a copy of the background check(s) for auditing purposes. If a background check of a subcontractor staff reveals a felony conviction, active police warrants or pending charges, the Contractor must submit the information to the Program Manager and Contract Monitor for review before the subcontractor staff provides direct services.

6. Contractor staff may be required to complete and submit an RI-8 Fingerprint Card for Fingerprint Checks to the MDOC.
7. The Contractor and subcontractor must verify and document whether a staff member assigned to the Contract is related to or acquainted with a client receiving services under this Contract. For staff who are related to or acquainted with a client, the Contractor's staff member must complete the Offender Contact Exception Request (CAJ-202) and submit it to the MDOC Program Manager or designee. The Contractor must ensure its staff complete the form and notify the MDOC Program Manager of any changes throughout the contract term. The Contractor must maintain a copy of the form in the employee's personnel file for auditing purposes.

3.10. Prison Rape Elimination Act of 2003 (PREA), 42 U.S.C. § 15601:

1. The Contractor and the Contractor Personnel shall comply with the Final Rule implementing Prison Rape Elimination Act (PREA), all applicable PREA standards and the agency's policies. The Contractor and Contractor Personnel shall make itself familiar with and at all times shall observe and comply with all PREA regulations which in any manner affect the performance under this Contract. Failure to comply with the PREA standards and related policies of the MDOC will be considered a breach of contract and may result in termination of the Contract.
2. As is deemed necessary, the MDOC Program Manager will provide the Contractor with current copies of all PREA documents via email. Any revisions to the documents will be emailed to the Contractor throughout the Contract period, and the Contractor must comply with all documentation provided.
3. The Contractor must report any information concerning violations of PREA immediately to the Supervising Agent, Program Manager and Contract Monitor. Immediately is when there is enough information to share client name/number, what occurred and between whom. The MDOC contacts should be informed of the incident immediately, and additional information learned through investigation can be provided as an update.
4. If MDOC determines that a 24/7 Structured Housing location is required to undergo PREA Audits, the OSAA must submit the PREA audit results to the PMCD Contract Monitor and ORU Program Manager within 30 calendar days after the 24/7 Structured Housing location receives the results from the PREA audit.
5. The Contractor must ensure that any subcontractor who is required to undergo a PREA audit, shares the results of their audit within 14 calendar days of receipt of the audits. The Contractor must share the results with the PMCD Contract Monitor and ORU Liaison within 30 calendar days of receipt of the audit results.

4. Project Management

4.1. Meetings

The Contractor must attend quarterly Community Coordinator meetings.

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

4.2. Reporting

The Contractor must submit to the Program Manager or designee the following reports:

A. Community Coordinator Monthly Report

Contractor staff must complete a **Community Coordinator Monthly Report** provided to the State by the 20th day following the monthly reporting period on a template provided by the State. The report summarizes Community Coordinator activities during the monthly reporting period towards staffing the Steering Team and Advisory Council(s), summarizing related meetings and issues, new programs and initiatives to be implemented, barriers and their intended solutions and any assistance they are requesting from the State. Identifying those employers successfully worked with in job placement and retention efforts.

B. Monthly OS Data Collection Spreadsheet

The Contractor must complete and submit accurate data as required by the State with data collection reports due to the State by the 20th calendar day of each month on the **OS Data Collection Spreadsheet** provided by the state, in accordance with the **OS Data Collection Instructions** provided by the State.

C. Monthly Expenditure Reports

The Contractor must submit accurate **Monthly Expenditure Reports** for only those services which were incurred, or otherwise charged, under the current month's bill. The Contractor must ensure that its subcontractors submit timely and accurate invoicing. Expenditure reports are due by the 20th of the month immediately following the month being billed. Failure to submit timely accurate expenditures to the State may result in non-reimbursement. All invoices submitted to the State must include:

1. An accurate expense report on the correct form provided by the State (**OS Monthly Expense Report**)
2. A detailed monthly and a Contract year-to-date general ledger report that identifies State Contract revenues and expenses
3. Contract and/or Delivery Order Number.

D. Expense Reconciliation

The Contractor must reconcile all expenses, including cash advances, at the end of the fiscal year with the final expenditure report. A "month 13" reconciling expenditure report may be submitted, providing it is submitted by the deadline determined annually by the State. A detailed general ledger for the full fiscal year must be submitted with the final expenditure report.

5. Pricing

5.1. Price Term

Pricing is firm for the entire length of the Contract.

5.2. Price Changes

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

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

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

6. Ordering

6.1. Authorizing Document

The appropriate authorizing document for the Contract will be a Delivery Order (DO).

7. Invoice and Payment

7.1. Invoice Requirements

All invoices submitted to the State must include: (a) date; (b) delivery order; (c) quantity; (d) description of the Contract Activities; (e) unit price; (f) shipping cost (if any); (g) vendor-generated invoice number; (h) total price, (i) travel expenses, (j) overtime and/or holiday pay.

Additional information may be required at the discretion of the MDOC, and may include, but not be limited to, any of the following:

1. Copies of client sign-in sheets or documentation of virtual services utilized to track service delivery and cost.
2. Copies of logs to document distribution of bus tokens and similar items.
3. Copies of invoices from subcontractors.
4. Mileage logs
5. Copies of invoicing documentation to support general ledger and **OS Data Collection Spreadsheet** entries

7.2. Payment Methods

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

Bonus and Credits

Bonus payments and credit costs (to the State) for achieving or underperforming on Key Performance Measures will be completed annually on a Contract year basis with Contractors receiving payments or withholdings by January 31 following the close of the Contract year. These payments/withholdings will be against Contractors Total billable Administration Costs for the Contract year achieving/underperforming on KPMs.

Bonus and Credit determinations for KPMs 1, 2, and 3 will be made annually based on the following baselines. Baselines were established using performance data from FY22 to estimate what average performance may be with the changes made to the service parameters and definitions in this Contract compared to previous contracts. The State reserves the right to adjust baselines annually. The maximum change to each tier will be a 5% increase or decrease to the tier. Changes will only be made if 4 or more OSAs fall within one given tier.

Key Performance Measures			
Long-Term Housing Placement	Tier 1	Less than 40%	10% Credit
	Tier 2	41%-60%	Neutral Performance
	Tier 3	61% or more	10% Bonus
Path to Economic Stability Initial Placement	Tier 1	Less than 30%	7.5% Credit
	Tier 2	31%-60%	Neutral Performance
	Tier 3	61% or more	7.5% Bonus
Path to Economic Stability Retention	Tier 1	Less than 50%	7.5% Credit
	Tier 2	51%-64%	Neutral Performance
	Tier 3	65% or more	7.5% Bonus
Leveraged Goods and Services	\$1 paid for every \$100 in leveraged goods and services. There is a cap of \$25,000 per region annually.		Paid by January 31, 2026

Bonus and Credit determinations will be made by determining the Contractor's performance tier on each KPM. The Contractor will be subject to a credit on a KPM if the Contractor's annual performance on that KPM is 30 in Tier 1. The Contractor will receive a bonus on a KPM if the Contractor's annual performance on that KPM is in Tier 3. Performance in Tier 2 will neither result in a credit or a bonus.

OSAs can earn a bonus of \$1 for every \$100 leveraged annually according to the definition, capped at \$25,000 per OSA annually.

Bonus Payment/Credit Schedule

The bonus/credit for KPM 1 will be 10% of the Contractor's Administration Costs billed during the Fiscal Year. The bonus/credit for KPMs 2 and 3 will each be 7.5% of the Contractor's Administrative Costs billed during the Fiscal Year.

If the Contractor billed out \$30,000.00 in Administration Costs and performs in Tier 1 during the year on the Long-Term Housing Placement Rate KPM, \$3,000.00 (10%) credit would be assessed against funds deducted from the last invoice for the Contract year.

If the Contractor performed in Tier 3 for both their Path to Economic Stability Initial Placement and Retention KPMs but performed in Tier 1 on their Long-Term Housing Placement KPM, they would receive an overall bonus of 5% (15% - 10% = 5%). If they billed out \$30,000.00 in Administration costs, they would receive an additional \$1,500 for the bonus.

The State will work with Contractors to incur credit withholdings against the Contractor's future invoices of the Contract.

The Contractor will take steps to mitigate these risks with their agency and those with whom they maintain subcontracts or agreements. The Contractor may propose alternatives to withholding credits against the last month's invoicing for the Contract Year.

If a bonus payment is made and it is subsequently found that the bonus was earned using data that was falsified or inaccurate, intentionally, or unintentionally, the State reserves the right to recoup the bonus payment.

7.3. Procedure

A. Invoice Packet

The following is to be emailed to mpristatements@michigan.gov with a copy to the assigned Community Liaison and PMCD Contract Monitor. Each packet must be in separate attachments; do not combine them into one large file. Contractor must ensure all attachments are readable; PDFs with tiny or blurred printing will not be accepted and payment may be delayed while MDOC awaits legible backup.

1. An accurate **Monthly Expenditure Report** provided by the State.
2. A detailed monthly and a Contract year-to-date general ledger report that identifies State Contract revenues and expenses.
3. Completed Monthly **OS Data Collection Spreadsheet** on the format provided by the State. This must be encrypted before emailing due to the client's personally identifiable information contained in the spreadsheet.
4. **Community Coordinator Monthly Report** on the form provided by the State.

B. Cash Advances

This Contract allows the Contractor to request an annual cash advance up to one-twelfth (1/12) of the total budget for that year (excluding bonus amounts). This advance must be requested in writing within the first 30 days of the fiscal year. The purpose of a cash advance is to assist with Contractor cash flow to allow payments to subcontractors to continue services at the beginning of each fiscal year when prior year closeout processes delay final payments. Contractors requesting an advance are agreeing to continue to pay subcontractors for services provided with no delay, due to delay in reimbursement from the State. All advances must be reconciled against expenses incurred in the same fiscal year and will be deducted from the last few (up to 3 months) of invoices received from the contractor. If that is not possible, a check in the amount of the unreconciled total of the advance, may be requested from the Contractor payable to the State.

C. Reimbursement

Contractors are reimbursed for only those services which were incurred, or otherwise charged, under the month currently billed, except for the cash advances, reasonable financial delays, or prior approval. Accrued expenses will be reimbursed as approved by the State. Administration costs may be reimbursed only if billed in compliance with a

cost allocation plan or direct billed. If the Contractor uses a cost allocation plan, they must obtain written approval from the State. Only properly referred clients are eligible for State Contract services. The supporting documentation for a proper referral for services is the MDOC CFJ-140 form. Reimbursement may be denied for expenses that are not supported by a CFJ-140 referral form. The referral form is not required to be submitted with the claim for reimbursement but must be available for review upon request from the MDOC. While a CFJ-140 is required for direct services to the client, work done in support of client services, such as employer and housing recruitment efforts to secure a pool of potential employers or landlords, does not require an associated CFJ-140. Activities that fall under Law Enforcement or Pro-Social Activities Service Types that are general to the OS population, rather than specific individuals, also do not require a CFJ-140. However, expenditures that come out to more than \$50/person or \$400/event must be pre-approved by ORU.

Reimbursement is not allowed for:

1. Costs not identified in the OS Service Parameters or approved through an exemption request.
2. Expenses incurred in the prior fiscal year.
3. Expenses that constitute pre-payment of expenses for the coming fiscal year.
4. Expenses that are inadequately documented.
5. Costs incurred under a subcontract not approved by the State's Program Manager, without an exception.
6. Costs billed under a subcontract which are not authorized by that subcontract, without an exception.

D. Travel

Travel reimbursement must be consistent with the current Statewide travel regulations. State travel rates are updated periodically, refer to the following web page: http://www.michigan.gov/dmb/0,1607,7-150-9141_13132---,00.html. Prior written approval from the MDOC Program Manager or designee must be obtained for any out-of-state travel for which reimbursement will be sought from State funds.

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 5% of the Administration Costs billed for under the month for which the late or improper completion of activities occurred and an additional \$100 per day for each day Contractor fails to remedy the late or improper completion of the work.

9. Service-Level Agreement (SLA)

- A.** The Contractor will be held accountable to meet the requirements and the service level requirements established in this Contract.

- B. The State reserves the right to reconsider or amend SLA amounts for split awards should they occur.

Service Level Agreements for this Contract will be as follows:

SLA Metric 1.	Lein
Definition and Purpose	The Contractor/subcontractor's personnel must be LEIN cleared and received written approval from the MDOC's Program Manager and the assigned PMCD Contract Monitor initially and annually by MDOC prior to any work with MDOC offenders. The completed LEIN Information Form must be sent to the MDOC-PMCD-FOA-LEINS@michigan.gov and approved by MDOC prior to Contract staff working with MDOC offenders.
Acceptable Standard	Contractor to submit completed LEIN Information Forms for all Contractor staff prior to the start of Contract activities and annually thereafter. The acceptable standard is 100% of LEIN Information Forms approved prior to working with MDOC offenders.
Credit Due for Failing to Meet the Service Level Agreements	1. \$250.00 may be assessed for each LEIN Information Form not approved for Contractor staff prior to the start of Contract activities and annually thereafter. Extenuating circumstances will be reviewed by the Program Manager before any Service Credits are assessed. At the discretion of the State, these credits may be applied toward any payable due to the Contractor or be payable directly to the State. Payments made directly to the state will be completed within 10 days of notice of assessment.

SLA Metric 2.	Financial
Definition and Purpose	The Contractor must provide Offender Success Data Collection Spreadsheet and Monthly Expenditure Report Forms of all OS funded services and activities to the State.
Acceptable Standard	The Contractor must provide timely spreadsheets, reports and ledgers as required by the State. The Contractor must provide accurate spreadsheets, reports and ledgers as required by the State. Each month the State receives untimely spreadsheets, reports and/or ledgers will be considered an occurrence. Each month the State receives inaccurate spreadsheets, reports and/or ledgers will be considered an occurrence. Inaccurate is defined as any error which would impact accurate billing or a Key Performance Metric.

SLA Metric 2.	Financial
Credit Due for Failing to Meet the Service Level Agreements	1. \$250.00 may be assessed for each occurrence that fails to meet the Acceptable Standard for Data Collection Spreadsheets, Expenditure Reports, and general ledgers with 10 or fewer errors contained within one or more of these documents. 2. \$500.00 may be assessed for Data Collection Spreadsheets, Expenditure Reports, and general ledgers with 11 or more errors contained within one or more of these documents and/or untimely spreadsheets. Extenuating circumstances will be reviewed by the Program Manager before any Service Credits are assessed. At the discretion of the State, these credits may be applied toward any payable due to the Contractor or be payable directly to the State. Payments made directly to the state will be completed within 10 days of notice of assessment.

SLA Metric 3.	Training
Definition and Purpose	Contracted staff and/or subcontractor staff (as applicable) must complete MDOC-required training prior to entering MDOC facilities and/or working on any contract deliverables as outlined in Schedule A, Statement of Work. MDOC-provided training must be completed each training year (defined as October 1st through September 30th). The annual deadline for training completion is September 30th.
Acceptable Standard	Acceptable standard is 100% compliance.
Credit Due for Failing to Meet the Service Level Agreements	1. \$250.00 may be assessed per finding for each Contractor staff and/or subcontractor staff who do not complete MDOC-required training by the deadline. 2. \$500.00 may be assessed if over 30% of contractor staff and/or subcontractor staff do not complete MDOC-required training by the deadline. Extenuating circumstances will be reviewed by the Program Manager before any Service Credits are assessed. At the discretion of the State, these credits may be applied toward any payable due to the Contractor or be payable directly to the State. Payments made directly to the state will be completed within 10 days of notice of assessment.

SLA Metric 4.	Responsiveness to Corrective Action Plan Requests
Definition and Purpose	The State requires that the Contractor must confirm receipt and submit their plan of action in response to any Corrective Action Plan Request. If the MDOC Contract Manager or Contract Monitor provides a written pre-approval of an alternate submission date, the Service Credit may not apply.
Acceptable Standard	Acceptable standard is 100% compliance.
Credit Due for Failing to Meet the Service Level Agreements	1. \$500.00 per day may be assessed for each business day that the Contractor fails to submit their plan of action by the deadline stated in the Corrective Action Plan Request. Extenuating circumstances will be reviewed by the Program Manager before any Service Credits are assessed. At the discretion of the State, these credits may be applied toward any payable due to the Contractor or be payable directly to the State. Payments made directly to the state will be completed within 10 days of notice of assessment.

SLA Metric 5.	Reoccurring or Unresolved Corrective Action Plan Requests
Definition and Purpose	The State requires that the Contractor must cure, at no additional cost to the State, any deficiency identified in a Corrective Action Plan Request. The Plan of Action must include a solution that resolves the issue so that it does not reoccur.
Acceptable Standard	Acceptable standard is 100% compliance.
Credit Due for Failing to Meet the Service Level Agreements	The following credits per occurrence will be assessed for any identified contract deficiency addressed in a Corrective Action Plan that is reoccurring or unresolved. 1. \$500.00 for the first occurrence 2. \$1,000.00 for the second occurrence 3. \$2,000.00 for the third occurrence Extenuating circumstances will be reviewed by the Program Manager before any Service Credits are assessed. At the discretion of the State, these credits may be applied toward any payable due to the Contractor or be payable directly to the State. Payments made directly to the state will be completed within 10 days of notice of assessment.

10. Procurement, Monitoring, and Compliance Division

The MDOC has a contract monitoring unit known as the Procurement, Monitoring, and Compliance Division (PMCD). This unit has oversight for the Department's contracts and ensures that the Contractor is delivering services according to the contract requirements. The Contract Manager or designee will serve as the lead for all contract related issues, and will assist in facilitating kick off meetings, determining service level agreements, overseeing the transition timeline and working with the MDOC program staff to ensure the contractual requirements are being met. A contract monitor will be assigned to monitor the contract(s), and as part of their role they will conduct regular monitoring of all contract related activities. Contract activities that are unacceptable to MDOC may result in a MDOC notice to Contractor to develop a corrective action plan to cure any noted deficiencies. Contractor must respond timely to all notices of corrective action and must wholly resolve all deficiencies to the extent that they are non-recurrent.

SCHEDULE B PRICING

Contract No. 230000001360

Offender Success Administrative Agency Services

1. The Contractor is encouraged to offer quick payment terms. The number of days must not include processing time for payment to be received by the Contractor's financial institution.
2. The Contractor certifies that the prices were arrived at independently, and without consultation, communication, or agreement with any other Contractor.

Table A – Region Totals; Minimum Served, Annual Budget, Leveraged Funding and Proposed Number Served		
Region	Contract Annual Price	Leveraged Funding- Contractor to disclose the source(s) and amount of leveraged funding support for reentry services currently in place.
7	\$808,000	\$24,500.00

SCHEDULE C – INSURANCE REQUIREMENTS

Contract No. 230000001360

Offender Success Administrative Agency Services

- 1. General Requirements.** Contractor, at its sole expense, must maintain the insurance coverage as specified herein for the duration of the Term. Minimum limits may be satisfied by any combination of primary liability, umbrella or excess liability, and self-insurance coverage. To the extent damages are covered by any required insurance, Contractor waives all rights against the State for such damages. Failure to maintain required insurance does not limit this waiver.
- 2. Qualification of Insurers.** Except for self-insured coverage, all policies must be written by an insurer with an A.M. Best rating of A- VII or higher unless otherwise approved by DTMB Enterprise Risk Management.
- 3. Primary and Non-Contributory Coverage.** All policies for which the State of Michigan is required to be named as an additional insured must be on a primary and non-contributory basis.
- 4. Claims-Made Coverage.** If any required policies provide claims-made coverage, Contractor must:
 - a. Maintain coverage and provide evidence of coverage for at least 3 years after the later of the expiration or termination of the Contract or the completion of all its duties under the Contract;
 - b. Purchase extended reporting coverage for a minimum of 3 years after completion of work 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.
- 5. Proof of Insurance.**
 - a. Insurance certificates showing evidence of coverage as required herein must be submitted to DTMB-RiskManagement@michigan.gov within 10 days of the contract execution date.
 - b. Renewal insurance certificates must be provided on annual basis or as otherwise commensurate with the effective dates of coverage for any insurance required herein.
 - c. Insurance certificates must be in the form of a standard ACORD Insurance Certificate unless otherwise approved by DTMB Enterprise Risk Management.
 - d. All insurance certificates must clearly identify the Contract Number (e.g., notated under the Description of Operations on an ACORD form).
 - e. The State may require additional proofs of insurance or solvency, including but not limited to policy declarations, policy endorsements, policy schedules, self-insured certification/authorization, and balance sheets.

- f. In the event any required coverage is cancelled or not renewed, Contractor must provide written notice to DTMB Enterprise Risk Management no later than 5 business days following such cancellation or nonrenewal.

6. Subcontractors. Contractor is responsible for ensuring its subcontractors carry and maintain insurance coverage.

7. Limits of Coverage & Specific Endorsements.

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

8. **Non-Waiver.** This Schedule C 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.

SCHEDULE D – SERVICE LEVEL AGREEMENT FOR HYBRID PURCHASES

1. **Definitions.** For purposes of this Schedule, the following terms have the meanings set forth below. All initial capitalized terms in this Schedule that are not defined in this **Schedule** shall have the respective meanings given to them in the Contract Terms and Conditions.

“**Actual Uptime**” means the total minutes in the Service Period that the Hosted Services are Available.

“**Availability**” has the meaning set forth in **Section 2.1**.

“**Availability Requirement**” has the meaning set forth in **Section 2.1**.

“**Available**” has the meaning set forth in **Section 2.1**.

“**Contact List**” means a current list of Contractor contacts and telephone numbers set forth in the attached **Schedule D – Attachment 1** to this Schedule to enable the State to escalate its Support Requests, including: (a) the first person to contact; and (b) the persons in successively more qualified or experienced positions to provide the support sought.

“**Corrective Action Plan**” has the meaning set forth in **Section 3.9**.

“**Critical Service Error**” has the meaning set forth in **Section 2.4**.

“**Exceptions**” has the meaning set forth in **Section 2.2**.

“**High Service Error**” has the meaning set forth in **Section 2.4**.

“**Hosted Services**” means the hosting, management and operation of the Operating Environment, Software, other services (including support and subcontracted services), and related resources for remote electronic access and use by the State and its Authorized Users, including any services and facilities related to disaster recovery obligations.

“**Low Service Error**” has the meaning set forth in **Section 2.4**.

“**Maintenance Release**” means any update, upgrade, release or other adaptation or modification of the Software, including any updated Documentation, that Contractor may generally provide to its licensees from time to time during the Term, which may contain, among other things, error corrections, enhancements, improvements or other changes to the user interface, functionality, compatibility, capabilities, performance, efficiency or quality of the Software.

“**Medium Service Error**” has the meaning set forth in **Section 2.4**.

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

“Operating Environment” means, collectively, the platform, environment and conditions on, in or under which the Software is intended to be installed and operate, as set forth in a Statement of Work, including such structural, functional and other features, conditions and components as hardware, operating software, system architecture, configuration, computing hardware, ancillary equipment, networking, software, firmware, databases, data, and electronic systems (including database management systems).

“Resolve” has the meaning set forth in **Section 2.4**.

“RPO” or “Recovery Point Objective” means the maximum amount of potential data loss in the event of a disaster.

“RTO” or “Recovery Time Objective” means the maximum period of time to fully restore the Hosted Services in the case of a disaster.

“Scheduled Downtime” has the meaning set forth in **Section 2.3**.

“Scheduled Uptime” means the total minutes in the Service Period.

“Service Error” means any failure of any Hosted Service to be Available or otherwise perform in accordance with this Schedule.

“Service Level Failure” means a failure to perform the Software Support Services fully in compliance with the Support Service Level Requirements.

“Service Period” has the meaning set forth in **Section 2.1**.

“Software Support Services” has the meaning set forth in **Section 3**.

“State Systems” means the information technology infrastructure, including the computers, software, databases, electronic systems (including database management systems) and networks, of the State or any of its designees.

“Support Hours” means 8:00 a.m. to 5:00 p.m.

“Support Request” has the meaning set forth in **Section 3.5**.

“Support Service Level Requirements” has the meaning set forth in **Section 3.4**.

2. Service Availability.

2.1. Availability Requirement. Contractor will make the Hosted Services and Software Available, as measured over the course of each calendar month during the Term and any additional periods during which Contractor does or is required to perform any Hosted Services (each such calendar month, a **“Service Period”**), at least 99.98% of the time, excluding only the time the Hosted Services are not Available solely as a result of one or more Exceptions (the **“Availability Requirement”**). **“Available”** means the Hosted Services and Software are available and operable for access and use by the State and its Authorized Users over the Internet in material conformity with the Contract. **“Availability”** has a correlative meaning. The Hosted Services and Software are not considered Available in the event of a material performance degradation or inoperability of the Hosted Services and Software, in whole or in part. The Availability Requirement will be calculated for the Service Period as follows: (Actual Uptime – Total Minutes in Service Period Hosted Services or Software

are not Available Due to an Exception) ÷ (Scheduled Uptime – Total Minutes in Service Period Hosted Services or Software are not Available Due to an Exception) x 100 = Availability.

2.2. Exceptions. No period of Hosted Services degradation or inoperability will be included in calculating Availability to the extent that such downtime or degradation is due to any of the following (“**Exceptions**”):

- (a) Failures of the State’s or its Authorized Users’ internet connectivity;
- (b) Scheduled Downtime as set forth in **Section 2.3**.

2.3 Scheduled Downtime. Contractor must notify the State at least twenty-four (24) hours in advance of all scheduled outages of the Hosted Services or Software in whole or in part (“**Scheduled Downtime**”). All such scheduled outages will: (a) last no longer than five (5) hours; (b) be scheduled between the hours of 12:00 a.m. and 5:00 a.m., Eastern Time; and (c) occur no more frequently than once per week; provided that Contractor may request the State to approve extensions of Scheduled Downtime above five (5) hours, and such approval by the State may not be unreasonably withheld or delayed.

2.4 Software Response Time. Software response time, defined as the interval from the time the end user sends a transaction to the time a visual confirmation of transaction completion is received, must be less than two (2) seconds for 98% of all transactions. Unacceptable response times shall be considered to make the Software unavailable and will count against the Availability Requirement.

2.5 Service Availability Reports. Within thirty (30) days after the end of each Service Period, Contractor will provide to the State a report describing the Availability and other performance of the Hosted Services and Software during that calendar month as compared to the Availability Requirement. The report must be in electronic or such other form as the State may approve in writing and shall include, at a minimum: (a) the actual performance of the Hosted Services and Software relative to the Availability Requirement; and (b) if Hosted Service performance has failed in any respect to meet or exceed the Availability Requirement during the reporting period, a description in sufficient detail to inform the State of the cause of such failure and the corrective actions the Contractor has taken and will take to ensure that the Availability Requirement are fully met.

2.6 Remedies for Service Availability Failures.

- (a) If the actual Availability of the Hosted Services and Software is less than the Availability Requirement (at least 99.98%) for any Service Period, such failure will constitute a Service Error for which the MDOC may engage the progressive discipline process.
- (b) If the actual Availability of the Hosted Services and Software is less than the Availability Requirement in any two (2) of four (4) consecutive Service Periods, then, in addition to all other remedies available to the State, the State may terminate the Contract on written notice to Contractor with no liability, obligation or penalty to the State by reason of such termination.

3. Support and Maintenance Services. Contractor will provide IT Environment Service and Software maintenance and support services (collectively, “**Software Support Services**”) in accordance with the provisions of this **Section 3**. The Software Support Services are included in the Services, and Contractor may not assess any additional fees, costs or charges for such Software Support Services.

3.1 Support Service Responsibilities. Contractor will:

- (b) correct all Service Errors in accordance with the Support Service Level Requirements, including by providing defect repair, programming corrections and remedial programming;
- (c) provide unlimited telephone support during **Support Hours**;
- (d) provide unlimited online support 24 hours a day, seven days a week;
- (e) provide online access to technical support bulletins and other user support information and forums, to the full extent Contractor makes such resources available to its other customers; and
- (f) respond to and Resolve Support Requests as specified in this **Section**.

3.2 Service Monitoring and Management. Contractor will continuously monitor and manage the Hosted Services and Software to optimize Availability that meets or exceeds the Availability Requirement. Such monitoring and management includes:

- (a) proactively monitoring on a twenty-four (24) hour by seven (7) day basis all Hosted Service functions, servers, firewall and other components of Hosted Service security;
- (b) if such monitoring identifies, or Contractor otherwise becomes aware of, any circumstance that is reasonably likely to threaten the Availability of the Hosted Service, taking all necessary and reasonable remedial measures to promptly eliminate such threat and ensure full Availability; and
- (c) if Contractor receives knowledge that the Hosted Service or any Hosted Service function or component is not Available (including by written notice from the State pursuant to the procedures set forth herein):
 - (i) confirming (or disconfirming) the outage by a direct check of the associated facility or facilities;
 - (ii) If Contractor’s facility check in accordance with clause (i) above confirms a Hosted Service outage in whole or in part: (A) notifying the State in writing pursuant to the procedures set forth herein that an outage has occurred, providing such details as may be available, including a Contractor trouble ticket number, if appropriate, and time of outage; and (B) working all problems causing and caused by the outage until they are Resolved as Critical Service Errors in accordance with the Support Request Classification set forth in **Section 3.5** and **3.6**, or, if determined to be an internet provider problem, open a trouble ticket with the internet provider; and

- (iii) Notifying the State that Contractor has fully corrected the outage and any related problems, along with any pertinent findings or action taken to close the trouble ticket.

3.3 Service Maintenance. Contractor will continuously maintain the Hosted Services and Software to optimize Availability that meets or exceeds the Availability Requirement. Such maintenance services include providing to the State and its Authorized Users:

- (a) all updates, bug fixes, enhancements, Maintenance Releases, New Versions and other improvements to the Hosted Services and Software, including the Software, that Contractor provides at no additional charge to its other similarly situated customers; provided that Contractor shall consult with the State and is required to receive State approval prior to modifying or upgrading Hosted Services and Software, including Maintenance Releases and New Versions of Software; and
- (b) all such services and repairs as are required to maintain the Hosted Services and Software or are ancillary, necessary or otherwise related to the State's or its Authorized Users' access to or use of the Hosted Services and Software, so that the Hosted Services and Software operate properly in accordance with the Contract and this Schedule.

3.4 Support Service Level Requirements. Contractor will correct all Service Errors and respond to and Resolve all Support Requests in accordance with the required times and other terms and conditions set forth in this **Section 3.4 ("Support Service Level Requirements")**, and the Contract.

3.5 Support Requests. The State will classify its requests for Service Error corrections in accordance with the descriptions set forth in the chart below (each a "**Support Request**"). The State will notify Contractor of Support Requests by email, telephone or such other means as the parties may hereafter agree to in writing.

Support Request Classification	Description: Any Service Error Comprising or Causing any of the Following Events or Effects
Critical Service Error	- Issue affecting entire system or single critical production function; - System down or operating in materially degraded state; - Data integrity at risk; - Declared a Critical Support Request by the State; or - Widespread access interruptions.

Support Request Classification	Description: Any Service Error Comprising or Causing any of the Following Events or Effects
High Service Error	- Primary component failure that materially impairs its performance; or - Data entry or access is materially impaired on a limited basis.
Medium Service Error	IT Environment Services and Software is operating with minor issues that can be addressed with an acceptable (as determined by the State) temporary work around.
Low Service Error	Request for assistance, information, or services that are routine in nature.

3.6 Response and Resolution Time Service Levels. Response and Resolution times will be measured from the time Contractor receives a Support Request until the respective times Contractor has (i) responded to, in the case of response time and (ii) Resolved such Support Request, in the case of Resolution time. “**Resolve**” (including “**Resolved**”, “**Resolution**” and correlative capitalized terms) means that, as to any Service Error, Contractor has provided the State the corresponding Service Error correction and the State has confirmed such correction and its acceptance thereof. Contractor will respond to and Resolve all Service Errors within the following times based on the severity of the Service Error:

Support Request Classification	Service Level Metric (Required Response Time)	Service Level Metric (Required Resolution Time)
Critical Service Error	One (1) hour	Three (3) hours
High Service Error	One (1) hour	Four (4) hours
Medium Service Error	Three (3) hours	Two (2) Business Days
Low Service Error	Three (3) hours	Five (5) Business Days

3.7 Escalation. With respect to any Critical Service Error Support Request, until such Support Request is Resolved, Contractor will escalate that Support Request within sixty (60) minutes of the receipt of such Support Request by the appropriate Contractor support personnel, including, as applicable, the Contractor Project Manager and Contractor's management or engineering personnel, as appropriate.

3.8 Support Service Level Remedies. Failure to achieve any of the Support Service Level Requirements for Critical and High Service Errors will constitute a Service Level Failure for which the MDOC may engage the progressive discipline process.

3.9 Corrective Action Plan. If two or more Critical Service Errors occur in any thirty (30) day period during (a) the Term or (b) any additional periods during which Contractor does or is required to perform any Hosted Services, Contractor will promptly investigate the root causes of these Service Errors and provide to the State within five (5) Business Days of its receipt of notice of the second such Support Request an analysis of such root causes and a proposed written corrective action plan for the State's review, comment and approval, which, subject to and upon the State's written approval, shall be a part of, and by this reference is incorporated in, the Contract as the parties' corrective action plan (the "**Corrective Action Plan**"). The Corrective Action Plan must include, at a minimum: (a) Contractor's commitment to the State to devote the appropriate time, skilled personnel, systems support and equipment and other resources necessary to Resolve and prevent any further occurrences of the Service Errors giving rise to such Support Requests; (b) a strategy for developing any programming, software updates, fixes, patches, etc. necessary to remedy, and prevent any further occurrences of, such Service Errors; and (c) time frames for implementing the Corrective Action Plan. There will be no additional charge for Contractor's preparation or implementation of the Corrective Action Plan in the time frames and manner set forth therein.

4. Data Storage, Backup, Restoration and Disaster Recovery. Contractor must maintain or cause to be maintained backup redundancy and disaster avoidance and recovery procedures designed to safeguard State Data and the State's other Confidential Information, Contractor's Processing capability and the availability of the IT Environment Services and Software, in each case throughout the Term and at all times in connection with its actual or required performance of the Services hereunder. All backed up State Data shall be located in the continental United States. The force majeure provisions of this Contract do not limit Contractor's obligations under this section.

4.2 Data Storage. Contractor will provide sufficient storage capacity to meet the needs of the State at no additional cost.

4.3 Data Backup. Contractor will conduct, or cause to be conducted, daily back-ups of State Data and perform, or cause to be performed, other periodic offline back-ups of State Data on at least a weekly basis and store and retain such back-ups as specified in **Schedule A**. 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 State Data in the format specified by the State.

- 4.4 Data Restoration.** If the data restoration is required due to the actions or inactions of the Contractor or its subcontractors, Contractor will promptly notify the State and complete actions required to restore service to normal production operation. If requested, Contractor will restore data from a backup upon written notice from the State. Contractor will restore the data within one (1) Business Day of the State's request. Contractor will provide data restorations at its sole cost and expense.
- 4.5 Disaster Recovery.** Throughout the Term and at all times in connection with its actual or required performance of the Services, Contractor will maintain and operate a backup and disaster recovery plan to achieve a Recovery Point Objective (RPO) of 24 hours, and a Recovery Time Objective (RTO) of 24 hours (the "**DR Plan**"), and implement such DR Plan in the event of any unplanned interruption of the Hosted Services. Contractor's current DR Plan, revision history, and any reports or summaries relating to past testing of or pursuant to the DR Plan will be retained by the State as **Schedule F**. Contractor will actively test, review, and update the DR Plan on at least an annual basis using industry best practices as guidance. Contractor will provide the State with copies of all such updates to the Plan within fifteen (15) days of its adoption by Contractor. All updates to the DR Plan are subject to the requirements of this **Section 3**; and provide the State with copies of all reports resulting from any testing of or pursuant to the DR Plan promptly after Contractor's receipt or preparation. If Contractor fails to reinstate all material Hosted Services and Software within the periods of time set forth in the DR Plan, the State may, in addition to any other remedies available under this Contract, in its sole discretion, immediately terminate this Contract as a non-curable default.

SCHEDULE E – DATA SECURITY REQUIREMENTS FOR HYBRID PURCHASES

- 1. Definitions.** For purposes of this Schedule, the following terms have the meanings set forth below. All initial capitalized terms in this Schedule that are not defined in this **Schedule** shall have the respective meanings given to them in the Contract.

“**Contractor Security Officer**” has the meaning set forth in **Section 2** of this Schedule.

“**FedRAMP**” means the Federal Risk and Authorization Management Program, which is a federally approved risk management program that provides a standardized approach for assessing and monitoring the security of cloud products and services.

“**FISMA**” means The Federal Information Security Modernization Act of 2014 (Pub.L. No. 113-283 (Dec. 18, 2014.)).

“**Hosting Provider**” means any Permitted Subcontractor that is providing any or all of the Hosted Services under this Contract.

“**NIST**” means the National Institute of Standards and Technology.

“**PCI**” means the Payment Card Industry.

“**PSP**” or “**PSPs**” means the State’s IT Policies, Standards and Procedures.

“**SSAE**” means Statement on Standards for Attestation Engagements.

“**Security Accreditation Process**” has the meaning set forth in **Section 6** of this Schedule

- 2. Security Officer.** Contractor will appoint a Contractor employee to respond to the State’s inquiries regarding the security of the Hosted Services who has sufficient knowledge of the security of the Hosted Services and the authority to act on behalf of Contractor in matters pertaining thereto (“**Contractor Security Officer**”).

- 3. Contractor Responsibilities.** 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 any State Data in Contractor's or its subcontractor's possession; and

(e) ensure that all Contractor Representatives comply with the foregoing.

The State has established Information Technology (IT) PSPs to protect IT resources under the authority outlined in the overarching State 1305.00 Enterprise IT Policy. 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 public and non-public State IT policies and standards, of which the publicly available ones are at [DTMB - IT Policies, Standards & Procedures \(michigan.gov\)](#).

This responsibility also extends to all service providers and subcontractors with access to State Data or an ability to impact the contracted solution. Contractor responsibilities are determined from the PSPs based on the services being provided to the State, the type of IT solution, and the applicable laws and regulations.

4. Acceptable Use Policy. To the extent that Contractor has access to the State's IT environment, Contractor must comply with the State's Acceptable Use Policy, see [1340.00.130.02 Acceptable Use of Information Technology \(michigan.gov\)](#). All Contractor Personnel will be required, in writing, to agree to the State's Acceptable Use Policy before accessing State systems. The State reserves the right to terminate Contractor's and/or subcontractor(s) or any Contractor Personnel's access to State systems if the State determines a violation has occurred.

5. Protection of State's Information. Throughout the Term and at all times in connection with its actual or required performance of the Contract Activities, Contractor will:

5.1 If Hosted Services are provided by a Hosting Provider, ensure each Hosting Provider maintains FedRAMP authorization for all Hosted Services environments throughout the Term, and in the event a Hosting Provider is unable to maintain FedRAMP authorization, the State, at its sole discretion, may either a) require the Contractor to move the Software and State Data to an alternative Hosting Provider selected and approved by the State at Contractor's sole cost and expense without any increase in Fees, or b) immediately terminate this Contract for cause pursuant to **Section 25** of the Contract;

5.2 for Hosted Services provided by the Contractor, maintain either a FedRAMP authorization or an annual SSAE 18 SOC 2 Type II audit based on State required NIST Special Publication 800-53 MOD Controls using identified controls and minimum values as established in applicable State PSPs.

5.3 ensure that the Software and State Data is securely stored, hosted, supported, administered, accessed, and backed up in the continental United States, and the

data center(s) in which the data resides minimally meet Uptime Institute Tier 3 standards (www.uptimeinstitute.com), or its equivalent;

- 5.4** maintain and enforce an information security program including safety and physical and technical security policies and procedures with respect to its Processing of the State Data that complies with the requirements of the State's data security policies as set forth in this Contract, and must, at a minimum, remain compliant with FISMA and NIST Special Publication 800-53 MOD Controls using identified controls and minimum values as established in applicable State PSPs;
- 5.5** provide technical and organizational safeguards against accidental, unlawful or unauthorized access to or use, destruction, loss, alteration, disclosure, encryption, transfer, commingling or processing of such information that ensure a level of security appropriate to the risks presented by the processing of State Data and the nature of such State Data, consistent with best industry practice and applicable standards (including, but not limited to, compliance with FISMA, NIST, CMS, IRS, FBI, SSA, HIPAA, FERPA and PCI requirements as applicable);
- 5.6** take all reasonable measures to:
 - (a)** secure and defend all locations, equipment, systems and other materials and facilities employed in connection with the Contract Activities against "malicious actors" and others who may seek, without authorization, to destroy, disrupt, damage, encrypt, modify, copy, access or otherwise use Hosted Services or the information found therein; and
 - (b)** prevent (i) the State and its Authorized Users from having access to the data of other customers or such other customer's users of the Contract Activities; (ii) State Data from being commingled with or contaminated by the data of other customers or their users of the Contract Activities; and (iii) unauthorized access to any of the State Data;
- 5.7** ensure that State Data is encrypted in transit and at rest using FIPS validated AES encryption modules and a key size of 128 bits or higher;
- 5.8** ensure the Hosted Services support Identity Federation/Single Sign-on (SSO) capabilities using Security Assertion Markup Language (SAML), Open Authentication (OAuth) or comparable State approved mechanisms;
- 5.9** ensure the Hosted Services implements NIST compliant multi-factor authentication for privileged/administrative and other identified access.

6. Security Accreditation Process. Throughout the Term, Contractor will assist the State, at no additional cost, with its **Security Accreditation Process**, which includes the development, completion and on-going maintenance of a system security plan (SSP) using the State's automated governance, risk and compliance (GRC) platform, which requires Contractor to submit evidence, upon request from the State, in order to validate Contractor's security controls within two weeks of the State's request. On an annual basis, or as otherwise required by the State such as for significant changes, re-assessment of the system's controls will be required to receive and maintain authority to operate (ATO). All identified risks from the SSP will be remediated through a Plan of Action and Milestones (POAM) process with remediation time frames and required evidence based on the risk level of the identified risk. For all findings associated with the Contractor's solution, at no additional cost, Contractor will be required to create or assist with the creation of State approved POAMs, perform related remediation activities, and provide evidence of compliance. The State will make any decisions on acceptable risk, Contractor may request risk acceptance, supported by compensating controls, however only the State may formally accept risk. Failure to comply with this section will be deemed a material breach of the Contract.

7. Unauthorized Access. Contractor may not access, and must not permit any access to, State systems, in whole or in part, whether through the Hosted Services or otherwise, without the State's express prior written authorization. Such authorization may be revoked by the State in writing at any time in its sole discretion. Any access to State systems must be solely in accordance with the Contract and this Schedule, and in no case exceed the scope of the State's authorization pursuant to this Section. All State-authorized connectivity or attempted connectivity to State systems shall be only through the State's security gateways and firewalls and in compliance with the State's security policies set forth in the Contract as the same may be supplemented or amended by the State and provided to Contractor from time to time.

8. Security Audits.

8.1 During the Term, Contractor will maintain complete and accurate records of its data protection practices, IT security controls, and the security logs relating to State Data, including but not limited to any backup, disaster recovery or other policies, practices or procedures relating to the State Data and any other information relevant to its compliance with this Contract.

8.2 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. 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. If the State chooses to perform an on-site audit, Contractor will, make all such records, appropriate personnel and relevant materials available during normal business hours for inspection and audit by the State or an independent data security expert that is reasonably acceptable to Contractor, provided that the State: (i) gives Contractor at least five (5) Business Days prior notice of any such audit; (ii) undertakes such audit no more than once per calendar year, except for good cause shown; and (iii) conducts or causes to be conducted such audit in a manner designed to minimize disruption of Contractor's normal business operations and that complies with the terms and conditions of all data confidentiality, ownership, privacy, security and restricted use provisions of the Contract. The State may, but is not obligated to, perform such security audits, which shall, at the State's option and request, include penetration and security tests, of any and all Hosted Services and their housing facilities and operating environments.

8.3 During the Term, Contractor will, when requested by the State, provide a copy of Contractor's and Hosting Provider's FedRAMP System Security Plan(s) or SOC 2 Type 2 report(s) to the State within two weeks of the State's request. The System Security Plan and SSAE audit reports will be recognized as Contractor's Confidential Information.

8.4 With respect to State Data, Contractor must implement any required safeguards as identified by the State or by any audit of Contractor's data privacy and information security program.

8.5 The State reserves the right, at its sole election, to immediately terminate this Contract or a Statement of Work without limitation and without liability if the State determines that Contractor fails or has failed to meet its obligations under this **Section 8.**

9. Application Scanning. During the Term, Contractor must, at its sole cost and expense, scan all Contractor provided applications, and must analyze, remediate and validate all vulnerabilities identified by the scans as required by the State Secure Web Application and other applicable PSPs.

Contractor's application scanning and remediation must include each of the following types of scans and activities:

9.1 Dynamic Application Security Testing (DAST) – Scanning interactive application for vulnerabilities, analysis, remediation, and validation (may include Interactive Application Security Testing (IAST)).

(a) Contractor must either a) grant the State the right to dynamically scan a deployed version of the Software; or b) in lieu of the State performing the

scan, Contractor must dynamically scan a deployed version of the Software using a State approved application scanning tool, and provide the State with a vulnerabilities assessment after Contractor has completed such scan. These scans and assessments i) must be completed and provided to the State quarterly (dates to be provided by the State) and for each major release; and ii) scans must be completed in a non-production environment with verifiable matching source code and supporting infrastructure configurations or the actual production environment.

9.2 Static Application Security Testing (SAST) - Scanning source code for vulnerabilities, analysis, remediation, and validation.

- (a) For Contractor provided applications, Contractor, at its sole expense, must provide resources to complete static application source code scanning, including the analysis, remediation and validation of vulnerabilities identified by application source code scans. These scans must be completed for all source code initially, for all updated source code, and for all source code for each major release and Contractor must provide the State with a vulnerability assessment after Contractor has completed the required scans.

9.3 Software Composition Analysis (SCA) – Third Party and/or Open Source Scanning for vulnerabilities, analysis, remediation, and validation.

- (a) For Software that includes third party and open source software, all included third party and open source software must be documented and the source supplier must be monitored by the Contractor for notification of identified vulnerabilities and remediation. SCA scans may be included as part of SAST and DAST scanning or employ the use of an SCA tool to meet the scanning requirements. These scans must be completed for all third party and open source software initially, for all updated third party and open source software, and for all third party and open source software in each major release and Contractor must provide the State with a vulnerability assessment after Contractor has completed the required scans if not provided as part of SAST and/or DAST reporting.

9.4 In addition, application scanning and remediation may include the following types of scans and activities if required by regulatory or industry requirements, data classification or otherwise identified by the State.

- (a) If provided as part of the solution, all native mobile application software must meet these scanning requirements including any interaction with an application programming interface (API).

- (b) Penetration Testing – Simulated attack on the application and infrastructure to identify security weaknesses.

10. Infrastructure Scanning.

- 10.1** For Hosted Services, Contractor must ensure the infrastructure and applications are scanned using an approved scanning tool (Qualys, Tenable, or other PCI Approved Vulnerability Scanning Tool) at least monthly and provide the scan's assessments to the State in a format that is specified by the State and used to track the remediation. Contractor will ensure the remediation of issues identified in the scan according to the remediation time requirements documented in the State's PSPs.

- 11. Nonexclusive Remedy for Security Breach.** Any failure of the Contract Activities to meet the requirements of this Schedule with respect to the security of any State Data or other Confidential Information of the State, including any related backup, disaster recovery or other policies, practices or procedures, is a material breach of the Contract for which the State, at its option, may terminate the Contract immediately upon written notice to Contractor without any notice or cure period, and Contractor must promptly reimburse to the State any Fees prepaid by the State prorated to the date of such termination.

BY THE COMMITTEE ON WAYS AND MEANS
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the City of Lansing's Office of Financial Empowerment (OFE) which is a division of the Department of Neighborhoods, Arts & Citizen Engagement has been providing contractual services to the State of Michigan since October 1, 2017 as the Administrative Agency for the OS Reentry program (previously known as the Offender Success program); and

WHEREAS, the first 5-year contract with the State of Michigan ends on September 30, 2023, and the OFE reapplied for a second 5-year term; and

WHEREAS, the OFE was selected as part of a competitive selection process to enter into a new 5-year contract with the State of Michigan at \$808,000.00 per year or \$4,040,000.00 total; and

WHEREAS, the proposal was submitted by the Office of Financial Empowerment on May 5, 2023, approved on August 10, 2023, and will be received as monthly reimbursements; and

WHEREAS, the award for \$808,000 per year does not require a local match; and

NOW, THEREFORE, BE IT RESOLVED, the Lansing City Council approves acceptance of the State of Michigan OS Reentry contract in the total amount of \$4,040,000.00 for the period beginning on October 1, 2023 and ending on September 30, 2028.

BE IT FINALLY RESOLVED, the Administration is authorized to create appropriate accounts, to make the necessary operating transfers for the expenditure and control of the balance of the grant funds, and execute any necessary agreements or documents subject to final approval as to form by the City Attorney.