

STATE OF MICHIGAN

Request For Proposal No. 007116B0006599
MET Marketing and Advertising Services - Treasury

EXHIBIT A STATEMENT OF WORK CONTRACT ACTIVITIES

This exhibit identifies the anticipated requirements of any Contract resulting from this RFP. The term "Contractor" in this document refers to a bidder responding to this RFP.

The Contractor must respond to each requirement or question, and explain how it will fulfill each requirement. Attach any supplemental information and appropriately reference within your response.

PROJECT REQUEST

This RFP is for Marketing and Advertising Services for the Michigan Department of Treasury (Treasury), Michigan Education Trust (MET), Section 529 prepaid tuition program.

SCOPE

Treasury is seeking one firm to assist in developing and implementing internal and external communications as well as performing public relations activities for the MET program. These activities should increase awareness of MET, increasing participation in MET while promoting the many program benefits, including federal and State income tax benefits.

This Contract will be a 3 year Contract and may be renewed up to 2 additional 1-year periods. The annual budget is \$730,000.00. Typically, MET open enrollment takes place December through September. Media/Advertising usually occurs as follows:

- December/January to announce the new enrollment period and for gift-giving
- April/May for tax season
- August/September for College Savings Month and end of enrollment.

Main deliverables to be accomplished:

1. Develop a marketing strategy for the MET program enrollment period(s).
2. Identify and develop creative concepts for the MET program enrollment period(s) as needed.
3. Conduct marketing research such as focus group testing, telephone or intercept surveys as needed.
4. Produce and duplicate media materials as needed.
5. Develop a media plan for the MET program enrollment period(s).
6. Place media messages and conduct advertising tracking surveys during enrollment period(s).
7. Provide results/recaps after each media campaign and work with stations if any make-goods are necessary.
8. Provide public relations services and counsel when required.

Target Audiences:

Women, household incomes over \$75,000, parents with children (newborn through 12th grade), aged 30-49, grandparents, guardians, other relatives, Michigan businesses, Charitable Foundations and others interested in pre-purchasing future undergraduate college tuition, for a Michigan child, at current prices.

BACKGROUND

MET is the State's Section 529 prepaid tuition program established in 1986 by P.A. 361. The program was launched in 1988 and was the first prepaid tuition program in the nation. Section 529 of the internal revenue code provides tax benefits to prepaid tuition and investment based college savings programs. MET offers parents, grandparents,

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businesses and others the opportunity to purchase up to 10 semesters of undergraduate tuition at any Michigan public college or university for children who are Michigan residents. Purchasers can pre-purchase tuition for children at current contract prices and contributions are pooled together for investment purposes to pay future tuition. MET's goal is to make college education affordable for those who may not otherwise afford to attend.

MET utilizes a one (1) step process for persons interested in participating in the program. Individuals may submit a signed contract, payment and enrollment fee to the MET office by mail, in person or electronically via the web site during a specific open enrollment period. Upon receipt of the contract, MET conducts a review for errors and resolves any found errors then forwards to purchasers a MET accepted contract and certificate. MET offers lump sum payment and monthly purchase. The monthly purchase option includes payroll deduction and automatic clearinghouse (ACH) payments. A new payment option will be implemented for the 2016 enrollment period.

During the 2015 enrollment 1,694 contracts were sold at an investment of \$48.1 million. Contracts were accepted December 10, 2014 through September 30, 2015. It is anticipated that the next enrollment period will be scheduled to begin December 2015.

The Michigan Education Savings Program (MESP) is the State's Section 529 direct-sold savings/investment program and was launched in November 2000. MESP allows families and others to open a savings account to save for higher education expenses for a child to attend any higher education institution in the nation. Many people confuse MET with MESP and think MET has been replaced by MESP. However, MET and MESP can be used together or separately. MESP commits a portion of their marketing budget toward joint marketing initiatives that include MET.

1. REQUIREMENTS

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

A. Develop a marketing strategy for the MET program enrollment period(s).

Please describe your firm's plan for meeting this requirement:

B. Identify and develop creative concepts for the MET program enrollment period(s) as needed.

1. The Contractor will be responsible for developing or modifying advertising/marketing/creative concepts and direction (including but not limited to 30-second TV and 30- and 60-second radio spots).

Please describe your firm's plan for meeting this requirement:

2. All creative concepts/materials/productions must be copyright free, including non-rights managed visual materials (to be used in print, online and other forms) and full buy-out (unrestricted use) of talent in all Michigan media (broadcast, cable, and online) for a minimum four (4) year period. The Contractor must ensure that, in negotiations of talent rights, the State will be signatory on all talent/property rights.

Please describe your firm's plan for meeting this requirement:

C. Conduct marketing research such as focus group testing, telephone or intercept surveys as needed.

1. The Contractor is be responsible for conducting market research, as appropriate, to better assess the target populations that the State is trying to reach with its communication efforts. This market research may include the use of marketing databases such as Prizm, intercept surveys, focus groups, observational research, and other tools as approved to help determine/refine message and creative strategies. If no experience in this area, please describe how you will accomplish this task.

Please describe your firm's plan for meeting this requirement:

D. Produce and duplicate media materials as needed.

1. The Contractor is be responsible for producing internet project deliverables in support of TV and radio messaging, including repurposed-TV ads, banner ads, rich media ads, splash pages, etc.

Please describe your firm's plan for meeting this requirement:

2. The Contractor is responsible for producing other project deliverables including billboards, posters, banners, flyers, e-mail marketing messages, etc.

Please describe your firm's plan for meeting this requirement:

3. The Contractor must direct and coordinate television and radio production and review all aspects including budgets, casting, music, and special effects with Treasury.

Please describe your firm's plan for meeting this requirement:

- a. The Contractor is responsible for shooting, recording, editing, and post-production.

Please describe your firm's plan for meeting this requirement:

- b. The Contractor must deliver both rough cuts and finished spots to Treasury for final approval within the timeframe defined by Treasury but no less than one (1) working day

Please describe your firm's plan for meeting this requirement:

- c. The Contractor is responsible for producing and duplicating media materials as needed in a variety of digital formats as required to meet the specifications of Michigan's broadcast and cable television and radio stations which may include, Beta, Digital Beta, wmv files, mov files, mp3 files, etc.

Please describe your firm's plan for meeting this requirement:

E. Develop a media plan for the MET program enrollment period(s).

1. The Contractor is responsible for developing a media plan for the MET program enrollment periods and their appropriate target audiences, messages, message strategies, and communication vehicles that help meet stated objectives. The Contractor must provide the plan and update this plan as required by the Treasury Program Manager throughout the fiscal year.

Please describe your firm's plan for meeting this requirement:

- a. The Contractor's media plan for paid advertising must outline:
 - 1) Paid media budget.
 - 2) Target audience.
 - 3) Flight dates.
 - 4) Geography/media markets.
 - 5) Advertising units.
 - 6) Media weight (gross rating point/GRP) levels and expenditures for each medium in each market.

Please describe your firm's plan for meeting this requirement:

2. The Contractor is responsible for developing social media/new media strategies and deliverables to complement advertising and earned media campaigns.

Please describe your firm's plan for meeting this requirement:

3. The Contractor must identify the resources that will be used to develop media plans, including Mediamark Research & Intelligence (MRI) or Simmons Market Research Bureau (SMRB), Scarborough or Media Audit, PRIZM, Nielsen, Arbitron, and Nielsen Net ratings.

Please describe your firm's plan for meeting this requirement:

4. The Contractor must inform the State of and evaluate as requested any special or unique media placements or opportunities.

Please describe your firm's plan for meeting this requirement:

F. Place media messages and conduct advertising tracking surveys during enrollment period(s).

1. The Contractor is responsible to buy and negotiate radio and television air time, publication space, outdoor and transit space, direct mail services, and any other media used for advertising and promotions projects.

Please describe your firm's plan for meeting this requirement:

2. The Contractor is responsible for advertising placement, negotiation of matching spots, value added, bonus, and other means to further advertising reach, as well as follow-up reporting to include invoice reconciliation, and audience delivery assessments with an objective of receiving plus or minus 10 percent of the Gross Rating Points (GRP) goal in the proposed media buy.

Please describe your firm's plan for meeting this requirement:

3. The Contractor must negotiate make-good media-weight for any under-delivery to be scheduled during the next paid media flight.

Please describe your firm's plan for meeting this requirement:

4. The Contractor will negotiate bonus media weight to supplement the media buys and a final report of the base buy plus the bonus weight delivered no later than 60 days after the media buy and bonus have aired. Return on Investment (ROI) for the bonus weight must be included in the report.

Please describe your firm's plan for meeting this requirement:

5. The Contractor must work to extend a budget by means of innovative ideas, creative partnerships and aggressive negotiation skills to leverage any funding that may be available for paid advertising. The Contractor must provide their methodology to gain added value in media planning and purchasing.

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Please describe your firm's plan for meeting this requirement and provide examples of your firm's ability to extend a budget by means of innovative ideas, creative partnerships and aggressive negotiation skills to leverage any funding that may be available for paid advertising. Of particular interest will be the Contractor's methodology to gain added value in media planning and purchasing:

6. Placement services include not only paid media but also value added media, Michigan Association of Broadcasters (MAB) media, Michigan Cable Telecommunications Association (MCTA) media and Michigan Press Association (MPA) media. Please describe your firm's experience in working with the MAB media, MCTA media and MPA media.

Please describe your firm's plan for meeting this requirement:

7. The Contractor must ship all radio and television dubs, with appropriate traffic instructions, to stations in time to meet program deadlines.

Please describe your firm's plan for meeting this requirement:

G. Provide results/recaps after each media campaign and work with stations if any make-goods are necessary.

1. The Contractor must provide in-depth analysis and evaluation of all media vehicles (radio, television, newspaper, magazine, outdoor, direct mail, etc.) available throughout the State as requested.

Please describe your firm's plan for meeting this requirement:

2. The Contractor must conduct post-buy review on the placement of media and the effectiveness of media buys in terms of cost, reach, frequency, continuity, and message dispersion requirements, etc. The Contractor should use findings to refine current and future media plans. No later than two months following the end of each media buy, the Contractor must submit this post analysis report to the Treasury Program Manager.

Please describe your firm's plan for meeting this requirement:

H. Provide public relations services and counsel when required by the Treasury Program Manager.

1. The Contractor must conduct public relations services and counsel as they arise. This is estimated to occur, but not limited to, 4 times per year.

Please describe your firm's plan for meeting this requirement:

2. The Contractor must develop, coordinate and schedule public relations services and press event(s) to increase public awareness as they arise. This includes, but is not limited to, press releases, tv and radio interviews, enrollment sessions, and photo opportunities.

Please describe your firm's plan for meeting this requirement:

1.2. Transition

1. As a one-time project upon award, the Contractor must review the existing campaigns and performance reports in order to provide recommendations to maximize value from the existing media mix.

Please describe your firm's plan for meeting this requirement:

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- 2. End of Contract Conversion Responsibility: At Contract expiration or termination, the Contractor must work with State personnel and other contractors, if applicable, to convert or transition all Contract Activities, services and data into an acceptable format for uploading into or importing into a State owned database (also see Standard Contract Terms, Sections 25 and 32.e). The Contractor must work with the State and/or previous contractor during implementation of the transition plan to effect an orderly transition to the new contractor if applicable. The Contractor must allow as many personnel as practicable to attend meetings and receive hardcopy and/or electronic files (excel, PDF, etc) to help maintain the continuity and consistency of the services required by the Contract. The Contractor agrees to receive reasonable detailed specifications for all Contract Activities previously provided to the State to properly provide the Contract Activities required under the Contract.

Please describe data file formats available for conversion:

[Empty text box for describing data file formats]

2. Acceptance

2.1. Acceptance, Inspection and Testing

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

Before approving invoices for payment, the Program manager will review deliverables, review project hours and team members' involvement in the project, and review invoices for pass through expenses to verify costs are accurate and do not reflect markups. The Program Manager will also ensure Contractor's invoices include detailed information for the project.

3. Staffing

3.1. Contractor Representative

The Contractor must appoint an individual, specifically assigned to State of Michigan accounts, that will respond to State inquiries regarding the Contract Activities, answering 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.

Name, Phone and email address of Bidder Representative is:

[Empty text box for bidder representative information]

3.2. Key Personnel

- A. The Contractor must appoint individuals 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 inquires within 24 hours.

Contractor to provide their agreement to the requirement above:

[Empty text box for contractor agreement]

- B. The Contractor must identify all Key Personnel that will be assigned to this contract in the table below which includes the following:

- 1. Identify, by name and title, staff that will be designated as Key
- 2. Describe in detail the Key Personnel's roles and responsibilities, assigned for this Contract. Descriptions of roles should be functional and not just by title.
- 3. Identify where each Key Personnel staff member will be physically located (city and state) during the Contract performance.
- 4. Identify if each Key Personnel staff member is employed full-time or part-time.
- 5. List each Key Personnel staff member's years of experience, in the current classification.
- 6. List each Key Personnel staff member's length of employment with the Contractor's organization.

Key Personnel Name	Title	Detailed Description of Role(s) and Responsibilities assigned for this Contract	Physical Location during Contract Performance (City, State)	Full-Time (FT) or Part-Time (PT) Employee	Years of Experience in the Current Classification	Length of Employment with the Contractor's Organization
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- C. The Contractor must provide **detailed, chronological resumes** of all proposed key staff. The Contractor must provide detailed, chronological resumes of all proposed Key Personnel. Qualifications will be measured by education and experience, with particular reference to experience on projects similar to that described in the RFP.

Contractor Response:

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- D. 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.
- E. 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 Termination for Cause in the Standard 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"):
 1. For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the credit amount will be \$25,000.00 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.
 2. If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 calendar days, in addition to the \$25,000.00 credit specified above, Contractor will credit the State \$833.33 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 \$25,000.00 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 \$50,000.00 per individual.
- F. 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.

3.3. Organizational Chart

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

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Contractor's Organizational Chart:

[Empty text box for Contractor's Organizational Chart]

3.4. Disclosure of Subcontractors

- A. Situations may arise where the Contractor may not possess the expertise necessary to effectively execute a project. Treasury expects that in those instances the Contractor will propose, or the Contractor and Treasury will jointly identify, subcontractors as needed to creatively develop and oversee production of certain special programs or projects.

The Contractor must select Subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract. Any subcontractor must be agreed to by the State and an amendment to the Contract is required via Contract Change Notice. See Standard Contract Terms Section 10 Subcontracting and Section 54 Entire Contract and Modification.

Contractor to provide their agreement to the requirements above:

[Empty text box for Contractor agreement]

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

- 1. The legal business name; address; telephone number; a description of sub-contractor's organization and the services it will provide; and information concerning sub-contractor's ability to provide the Contract Activities.

Contractor Response:

[Empty text box for Contractor Response]

- 2. The relationship of the sub-contractor to the Contractor.

Contractor Response:

[Empty text box for Contractor Response]

- 3. Whether the Contractor has a previous working experience with the sub-contractor. If yes, provide the details of that previous relationship.

Contractor Response:

[Empty text box for Contractor Response]

- 4. A complete description of the Contract Activities that will be performed or provided by the sub-contractor.

Contractor Response:

[Empty text box for Contractor Response]

- 5. Of the total bid, the price of the sub-contractor's work.

Contractor Response:

[Empty text box for Contractor Response]

3.5. Security

The Contractor will be subject the following security procedures:

The Contractor must explain any additional security measures in place to ensure the security of State facilities.

The Contractor's staff may be required to make deliveries to or enter State facilities. The bidder 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. The State may require the Contractor's personnel to wear State issued identification badges.

Contractor Response to Security Section:

Bidder must enter company name here

4. Project Management

- A. The Contractor must provide account management that is proactive and flexible to meet changing business conditions.
- B. The Contractor must take all reasonable precautions to guard against any loss to Treasury through the failure of suppliers to execute commitments properly.
- C. The Contractor shall not begin any work on any project before the Treasury Program Manager has given formal approval and a work/expense authorization/purchase order has been issued and signed.
- D. Upon failure to meet a predetermined deadline, the Contractor must provide an explanation for such failure as soon as it is known and submit an updated project schedule to the Treasury Program Manager.

Contractor to provide their agreement to the Project Management requirements above:

4.1. Project Plan

- A. The Contractor must meet with the Treasury Program Manager for direction and to discuss the specifics of each project to be undertaken.

Contractor to provide their agreement to the requirement above:

- B. The Contractor must develop a critical path development schedule providing sufficient Treasury approval time frames from initial presentation of creative through the production and delivery of product.

Contractor to provide their agreement to the requirement above:

- C. Prior to beginning work on a specific task or deliverable as agreed upon by the Treasury Program Manager, the Contractor must provide the Treasury Program Manager with a Project Plan and narrative for review. The Project Plan must include a breakdown of the work to be performed in Sections 1. Requirements and 4. Project Management, identifying tasks, subtasks, proposed time line, staff assigned (including hours of effort and hourly rate), total anticipated costs, any associated assumptions. The Plan must encompass the entire life cycle of the campaign while providing sufficient Treasury approval timeframes from initial presentation through the production and delivery of material.

The Treasury Program Manager must approve the Project Plan before work may begin.

Contractor to provide their agreement to the requirement above:

- D. The Contractor must carry out this Contract under the direction and control of the Treasury Program Manager. Within 10 calendar days of the Kick-Off Meeting per Section 4.2.A.1, the Contractor must submit a final Project Plan to the Treasury Program Manager for final approval. This Project Plan will be updated throughout the Contract period for new projects/campaigns, media plan and marketing plan changes. The plan must include:

- 1. The Contractor's organizational chart with names and title of personnel assigned to the Contract, which must align with the staffing stated in accepted proposals.
- 2. A chart/table showing the breakdown of requirements in Section 1. Requirement and 4. Project Management including tasks, sub-tasks, proposed timeline and the resources/staff assigned, within the estimated budget (yearly estimate indicated under Scope Section) throughout the term of the contract.
- 3. Detail of how they will manage any additional projects that come about throughout the Contract period.
- 4. Process for addressing issues/changes as they develop throughout the Contract term and individuals responsible for receiving/reacting to any issues/changes.

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Contractor to provide their Draft Project Plan including above Sections 4.1.A-D for the MET campaign. Since exact timeframes are to be determined by Treasury as needed, please label charts with Day 1 Day 2, Week 1, Week 2, Month 1, Month 2 for example for your estimated timeframes.

4.2. Meetings

A. The Contractor must attend the following meetings:

1. In-person Kick-Off Meeting within 14 calendar days of the Effective Contract Date.
2. Although there will be continuous liaison with the Contractor team, the Contractor must confer weekly at a minimum, with the Treasury Program Manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems that arise.
3. The Contractor must confer with Treasury upon request within 2 business days of contact to initiate services, requests, review materials, review progress, discuss problems, obtain advice and counsel, etc.

B. The State may request other meetings, as it deems appropriate. The Contractor must meet in-person/on-site when deemed necessary by the Treasury Program Manager. The Contractor must conduct meetings with subcontractors independently as directed by the Treasury Program Manager.

Contractor to provide their agreement to the Meetings requirements above:

4.3. Reporting

A. The Contractor must assist Treasury in the development of and present an annual marketing plan and marketing report to the MET Board of Directors. The marketing plan must be presented to the MET Board of Directors before the enrollment period. The marketing report must be presented 60 days after the enrollment period.

Please describe your firm's plan for meeting this requirement:

B. The Contractor must submit, to the Treasury Program Manager, the following custom reports that include content and layouts approved by Treasury.

1. The Contractor must provide conference reports (prepared and submitted within three working days of all meetings).
2. The Contractor must report on the efficiency and effectiveness of all marketing, promotion, and campaigns/projects against the goals and objectives established for the campaign/project.
3. The Contractor must submit brief written weekly and/or monthly summaries of progress which outline the work accomplished during the reporting period and budget information by purchase order/project.
4. No later than two weeks prior to a media buy, the Contractor shall provide copies of the negotiated buy to the Treasury Program Manager so it can be shared with appropriate program staff.
5. No later than two months following the end of each enrollment period, the Contractor must prepare a final summary showing the amounts ordered and actually paid per station, publication and/or outdoor company. These summaries should be compiled by target group, by medium, by market, and showing a grand total. No-charge bonus or bonuses, or PSA schedules must also be summarized quarterly in the same way.
6. No later than two months following the end of each enrollment period, the Contractor must submit post analysis reports which compare any such schedule estimates against actual spot rotation deliveries.
7. No later than two months following the end of each enrollment period, the Contractor must submit evaluation reports with supporting data, describing how the media buy accomplished the intended goals of

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the buy.

Contractor to provide their agreement to the requirement above:

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5. Ordering

5.1. Authorizing Document

The appropriate authorizing documents for the Contract will be a signed Blanket Purchase Order as well as an Agency Issued Purchase Order and Project Plan.

6. Invoice and Payment

6.1. Invoice Requirements

- A. The Contractor must provide detailed invoices for services rendered which clearly outline the scope of billing. The Contractor must provide complete backup with Contractor invoices including signed estimates and all original copies of third-party invoices. The Contractor must also provide reconciliation of all projects approved for pre-billing within one day at their completion.
- B. All invoices submitted to the State must include: (a) date; (b) purchase order; (c) quantity; (d) itemized description of the Contract Activities; (e) unit price; (f) shipping cost (if any); and (g) total price.
- C. Invoices will be approved based upon completion of deliverables within a pre-approved Project Plan. Payments will be made upon approval of the Treasury Program Manager. All invoices must reflect actual work done.
- D. Treasury shall reimburse the Contractor only for services and/or materials authorized by Treasury approved by the Program Manager and purchase order. Payment shall not exceed the amount approved by authorized estimate without submission and approval of a revised estimate.
- E. The Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for the expense at the State's current travel reimbursement rates. See www.michigan.gov/dtmb for current rates.
- F. The Contractor will not be reimbursed for personnel labor or other costs incurred in connection with client account services, meetings, commissionable advertising, or costs associated with membership in or attendance at industry conferences, seminars, etc. The Contractor will not be reimbursed for any overtime costs incurred by the Contractor or by any Subcontractor or supplier, unless such costs have been specifically identified in an approved work estimate.
- G. Expenses for packaging, handling, shipping, postage and freight, travel, meals, lodging and per diem paid to or on behalf of outside talent, and services acquired through the Contractor's internal facilities or parent or subsidiary organizations shall be billed at cost. Additionally, the following items must also be billed at cost: talent renewals, licensing fees, television and radio dubs, and satellite and communications uplinks.
- H. The Contractor must pass on all reductions in cost, such as volume and early payment discounts, to Treasury, in the fiscal year in which the originating expenses occurred.
- I. The Contractor must make timely payments to all subcontractors without waiting for Treasury payment of corresponding invoices. The Contractor must maintain a line of credit for this purpose.
- J. The Contractor must allow 45 days from the date of receipt of accurate and complete invoices and backup for receipt of payment. In addition, the Contractor may provide details for invoice discounts for early payment of monthly billings.

6.2. Payment Methods

Treasury will make payment for Contract Activities by Electronic Fund Transfer (EFT). Electronic transfer of funds is required for payments on State contracts. The Contractor must register with the State electronically at <http://www.cpexpress.state.mi.us>.