

Request for Proposal
Travel Leisure & Business e-Marketing Campaign
RFP-Doc-1413

REMINDER

Please check your proposal to make sure you have included all of the specifications in the Request for Proposals. In addition, please submit **seven (7) original copies** and an **electronic version separately** of each of the following:

- Technical Proposal (Section III-A);
- Price Proposal (Section III-B);
- Signed Independent Price Determination Certificate (Attachment B); and
- Conflicts of Interest Disclosure (if applicable) (Section II-G).

****Please Note:** The two parts of this proposal cannot be bid on separately, but must be submitted for both travel leisure and business marketing campaigns.

IMPORTANT DUE DATES

- **June 13, 2008, 5:00 p.m.:** Questions from potential bidders are due via email to contracts&grants@michigan.org. **Please note:** The Michigan Economic Development Corporation ("MEDC") will not respond to questions that are not received by the above date and time. In addition, questions that are phoned, faxed or sent through regular mail will not be accepted.
- **June 20, 2008:** Responses to all qualifying questions will be posted on the MEDC's website, www.themedc.org/emarketingrfp.
- **July 7, 2008, 5:00 p.m.:** **Seven (7)** copies of your proposal must be received by the MEDC via CONTRACT CARRIER, COURIER DELIVER, or PERSONAL DELIVERY, U.S. POSTAL SERVICE. AN ELECTRONIC VERSION MUST ALSO BE SENT TO contracts&grants@michigan.org. Electronic and mail delivery submissions of the **Technical** and **Price** proposals ***must be sent separately***.

Table of Contents

Section I WORK STATEMENT

A) PURPOSE.....	1
B) BACKGROUND STATEMENT AND OBJECTIVES	1
TRAVEL MARKETING	1
BUSINESS MARKETING	4
TRAVEL MARKETING	7
BUSINESS MARKETING	7
TRAVEL MARKETING	8
BUSINESS MARKETING	9

Section II RFP PROCESS AND TERMS AND CONDITIONS

A) PRE-BID MEETING/QUESTIONS.....	10
B) PROPOSALS	10
C) ECONOMY OF PREPARATION	11
D) SELECTION OF CRITERIA.....	11
E) BIDDERS COSTS	11
F) TAXES.....	12
G) CONFLICT OF INTEREST	12
H) BREACH OF CONTRACT.....	12
I) DISCLOSURE OF LITIGATION	13
J) FALSE INFORMATION	13
K) DISCLOSURE OF INFORMATION	13
L) PRICES HELD FIRM.....	13
M) CHANGES IN THE RFP	13
N) SEALED BID RECEIPT	14
O) RESERVATION OF MEDC DISCRETION	14
P) BID PROTEST PERIOD	14
Q) JURISDICTION	15

Section III PROPOSAL FORMAT

A) TECHNICAL PROPOSAL	15
B) PRICE PROPOSAL.....	16
C) PROPOSAL SUBMITTAL.....	16

Section IV CONTRACTIAL TERMS AND CONDITIONS

A) CONTRACTOR TERMS AND CONDITIONS.....	17
B) CONTRACTOR RESPONSIBILITIES	18
C) ACCEPTANCE OF PROPOSAL CONTENT	18
D) PROJECT CONTROL AND REPORTS	18

Attachment A PROFESSIONAL SERVICES CONTRACT TERMS AND COND A-1

Attachment B INDEPENDENT PRICE DETERMINATION B-1

REQUEST FOR PROPOSAL
Travel Leisure & Business e-Marketing Campaign
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This Request for Proposals (“RFP”) is issued by the Michigan Economic Development Corporation (the “MEDC”) Contracts and Grants Unit (“C&G”). C&G is the sole point of contact with regard to all bidding and contractual matters relating to the services described in this RFP. C&G is the only office authorized to change, modify, amend, alter, clarify, etc. the specifications, terms and conditions of this RFP and any contract awarded as a result of this RFP (the “Contract”). C&G will remain the **SOLE POINT OF CONTACT** throughout the bidding process. All communications concerning this RFP must be addressed to:

Contracts and Grants
Michigan Economic Development Corporation
300 North Washington Square, 2nd Floor
Lansing, Michigan 48913
contracts&grants@michigan.org

Section I
WORK STATEMENT

A) PURPOSE

The purpose of this RFP is to obtain quotations for the MEDC, a public body corporate, to develop and execute both travel leisure and business e-Marketing campaigns and promotions.

B) BACKGROUND STATEMENT AND OBJECTIVES

BACKGROUND STATEMENT

TRAVEL MARKETING

The health of the tourism industry is crucial to Michigan’s economy. Overall, tourism contributes \$18.8 billion in visitor spending to the state’s economy annually, accounting for 200,000 jobs and generating \$1.1 billion in state tax revenues. Michigan is ranked 7th nationally in both total and leisure travel. In order to ensure that Michigan remains competitive and travel continues to be a major contributor to the economy, the State has invested an average of \$4 to \$13 million per year over the past 5 years to promote travel to Michigan through all of Michigan’s marketing programs. For 2007, Michigan’s tourism promotion budget was \$13.2 million, of which \$9.7 million was spent on media placement. Michigan recently received a one time appropriation of \$45 million to market Michigan and attract visitors to the state. The funds are non-lapsable and will be spread over two years. For planning purposes, the MEDC estimates a tourism promotion budget of \$20 million per year for 2009 and 2010.

The state’s tourism mission is to increase visitor spending in Michigan. The overall marketing goals are to sell Michigan as the ideal vacation destination, create awareness of michigan.org as a travel planning tool and drive traffic to the web site. To accomplish its mission and goals, the MEDC applies an integrated marketing approach that includes research, electronic media

(television, cable and radio), magazine, newspaper, e-marketing (e-newsletter campaigns and web promotions), outdoor advertising, an annual lure publication (*Michigan Travel Ideas*), media and public relations campaigns, 13 Michigan Welcome Centers and a toll-free information number.

Over the past five years, michigan.org has become the primary vehicle used by consumers to plan a Michigan vacation. Over 90% of all inquiries made to the state are generated by the web site, michigan.org. Web inquiries have increased to more than twelve million web sessions in 2007.

All marketing efforts direct potential travelers to the web site. Through its tourism unit, Travel Michigan, the MEDC developed the web site to provide prospective visitors with a far better tool to gather travel information to plan their Michigan vacations. The site offers information on more than 12,000 Michigan attractions, events, hotels, deals, resorts, campsites, museums, parks, driving tours and other tourism related businesses. The web site also serves as an information source and portal for a majority of Michigan's travel destinations, destination marketing organizations, convention and visitors bureaus and tourism properties. The web site database is continuously updated with the most current information by the travel industry and the MEDC. This has eliminated the need for a massive fulfillment operation and the expense of most brochures and printed materials.

The MEDC developed and implemented a Lure-and-Link/Click-and-Count web portal strategy. The approach is to use compelling information and images on the michigan.org site to entice the consumer to find out more by clicking (linking) to a private sector Michigan tourism web site. The MEDC tracks click-throughs for every property on michigan.org and provides a quarterly click-through report to each property and convention and visitor bureau.

To promote michigan.org, Michigan's advertising programs have included seasonal in-state and out-of-state paid advertising campaigns. For links to ads and Media Plans, visit www.themedc.org/emarketingrfp.

Marketing efforts also focus on reaching Michigan's most high-value customers and converting them into Michigan travelers. This results in greater market penetration in the highest potential spending markets. Travel Michigan, the travel and tourism arm of the MEDC, is a subscriber to two databases and marketing tools to assist in market planning and impact evaluation. Travel Michigan uses the D.K. Shifflet Directions Travel Survey to measure market share, prioritize and profile target markets, evaluate the performance of competition in key markets and assess potential. Travel Michigan is also a subscriber to the Claritas Prizm Lifestyle Segmentation System, which is used to identify market potential, help define the marketing message and select the most effective media placements in targeted geographic markets. For links to Travel Michigan research, visit www.themedc.org/emarketingrfp.

Michigan's target markets are categorized by:

- Awareness markets – Travel advertising markets that generate substantial volumes to Michigan already, but have the potential for further growth. They include Chicago, Cleveland, Indianapolis, Milwaukee, Cincinnati and Southern Ontario (not Toronto), Columbus, Dayton and St. Louis, MO.
- Feeder markets – Nearby markets that feed Michigan with high volumes of travel. They include Toledo, South Bend, Fort Wayne, and Green Bay.

Within the Awareness and Opportunity market advertising campaigns, the objective is to raise awareness of Michigan as a desirable travel destination in our best return on investment markets, then drive consumers to michigan.org, for additional information. That has been achieved through television, cable, radio, newspaper, online and e-marketing, pay-per-click/Search Engine Optimization (SEO) and media and public relations. Given the feeder markets high awareness, the advertising campaign objectives are to increase travel volume and the length of stay by promoting short trips/getaways and raising awareness of michigan.org as a vacation planning tool.

The in-state market is similar to the feeder markets in that the objective is to increase travel and the length of stay by raising awareness of michigan.org. Outdoor advertising, radio, a statewide warm weather guide newspaper insertion, e-newsletter marketing and public relations have made-up the in-state campaign.

A key promotion tool for the in-state market is an e-marketing program – a monthly e-newsletter program and targeted e-mail blast campaigns, along with profiled e-mail address database development. Individuals in this targeted market segment are very familiar with Michigan. They vacation here and are looking for new and unique vacation ideas and deals. The e-marketing program allows for building customer relationships and promoting during shoulder seasons. It has been timely and cost-effective. The MEDC is looking for additional opportunities and ideas for increasing the e-mail address database particularly to vertical markets, such as golf, skiing, snowmobiling, boating/fishing/camping, and cultural heritage.

In response to past budget issues and the desire to further collaborate with local travel destinations, the MEDC developed a tourism industry dollar-for-dollar matching fund program in 2002. Each partnership was required to strategically fit Michigan's existing marketing strategy and advertising campaign. Individual campaigns utilized various media approaches, i.e., television, radio, newspaper and e-mail blasts. The advertising campaigns were designed to cut through the clutter and heavily promote Michigan featured destinations and michigan.org as a vacation planning tool. To maintain the success and revenue stream, the program has continued, with twenty partners in 2007, which contributed \$1.1 million in private-sector funds to the effort. For links to more partnership information, visit www.themedc.org/emarketingrfp. The advertising agency is responsible for working with the MEDC and its partners to implement the Marketing Partnership Program including media planning, advertising, creative and placement.

Travel Michigan also has a Pay-per-Click (PPC) Partnership Program that is designed to promote and increase web traffic to partners' web sites and michigan.org. The PPC partnership program allows travel entities (Convention & Visitors' Bureaus and tourism related businesses) to bid on search terms so they show up in top positions on top search engines, i.e., Google, Yahoo, etc. It is an inexpensive partnership program which provides extended reach and visibility online while allowing an entity to control when and where they appear in search engine listings and at what price. The partnership cost is \$6,100 for a four month PPC program and Travel Michigan matches that for total \$12,200 PPC campaign/partnership. All links from the search engines land on a page specific for that partner on michigan.org. The program objective is to achieve the most traffic at the lowest cost per click and attract visitors to michigan.org and then send them to partner web sites. The emarketing agency is responsible for working with Travel Michigan and its partners to implement the Pay-Per-click Partnership program. For information on the PPC Partnership Program, visit www.themedc.org/emarketingrfp.

Along with paid advertising campaigns, partnerships, and alliances, the MEDC conducts a wide variety of additional programs to increase travel. These programs include research, information servicing, fulfillment, *Michigan Travel Ideas*—the annual lure publication—and a variety of media and public relations activities. The MEDC directly conducts some programs, and others are conducted through contractors. Website development and maintenance and e-newsletter development and distribution are in-house operations. The MEDC and Travel Michigan have both in-house and contract research capabilities. Other marketing programs are implemented with the assistance of contractors including the media public relations efforts and the lure publication, *Michigan Travel Ideas* including editorial, production and distribution.

In addition, Travel Michigan, in conjunction with Longwoods International, a research firm specializing in advertising research and return on investment, recently concluded a study assessing the impact of the warm weather season advertising on the residents of three out-of-state markets: Chicago, Cleveland, and Indianapolis. The focus of the study was to show the impact Michigan's advertising had on the perceptions of Michigan as a travel destination, the levels of travel generated by the advertising, and the economic impact of the travel. According to the study, nearly one million visitors, who would not have traveled to Michigan otherwise, spent \$201 million statewide as a direct result of the \$4.9 million 2007 Michigan tourism advertising program. This research revealed that this new visitor spending generated \$14 million in incremental state tax collections, creating a return on investment of \$2.82 for each state dollar spent on tourism advertising.

To maintain its competitive edge, the MEDC is in need of an e-marketing company that will work in close collaboration, in a team-oriented environment, with its contractors, partners, and customers, including Travel Michigan, to achieve its mission to increase Michigan's share of visitors and expenditures. The MEDC does not possess the overall resources needed to develop and execute e-marketing campaigns. For this reason it is seeking a qualified e-marketing company to assist in the creation and implementation of travel e-marketing efforts.

BUSINESS MARKETING

The State of Michigan, through the MEDC, has been recognized as having one of the most effective economic development organizations in the nation. In addition, the MEDC's innovative programs and initiatives have propelled it to recognition among business executives, site consultants and the national media. National rankings and studies continue to tout Michigan's business development program successes. *Site Selection* magazine, for example, has rated Michigan as the top state in the nation for new corporate locations and expansions over the eleven-year period that it has been tracking such information. During that time, the MEDC has helped attract more than 12,000 major new projects.

The MEDC works very closely with Michigan's` business community. Michigan account managers visit more than 3,000 Michigan businesses each year to offer assistance and resources. In addition, through our recently developed strategic plan, the MEDC is focused on specific clusters including alternative energy, food processing and other data driven industries set to succeed in Michigan. Over the last 12 months the MEDC has developed a national and international attraction program working aggressively to attract wind, solar, bio-fuel, water treatment technologies and other key industries. While continuing to leverage our automotive research and development strength and our advanced manufacturing assets, Michigan is set to grow and diversify in numerous industries. Michigan's Brownfield redevelopment program, using some of the nation's most powerful brownfield redevelopment laws, transformed thousands of contaminated, blighted and functionally obsolete properties into economically

viable, tax- and job-producing developments.

Michigan is a state in transition, from a low-tech, manufacturing-based economy to the high-tech economy needed for the 21st century. Through the Life Sciences Corridor and Technology Tri-Corridor initiatives, the MEDC has invested more than \$210 million in research and commercialization efforts to grow Michigan's high-tech industries. The Governor's 21st Century Jobs Fund has significantly increased the amount of funding available for marketing and promotion of the state. The focus has been on building investment and venture capital in the state and growing businesses in the life sciences, advanced manufacturing, alternative energy and homeland security.

The MEDC's and the State's Business Development staff encourages companies to grow in Michigan based on its business-friendly environment, availability of skilled workers and high-quality education system. The following are highlights of recognitions in recent years that point to these advantages:

- **MEDC WINS CORPORATE INVESTMENT AWARD 2008**
Hemlock Semiconductor expansion, \$1 billion investment
Trade & Industry Development (2008)
- **MEDC WINS BRONZE AWARD, ECONOMIC DEVELOPMENT ACHIEVEMENT 2007**
Chrysler Group \$1.7 billion investment: Trenton Engine Plant, Marysville axle plant
Business Facilities (2007)
- **MICHIGAN RANKED #6 SMALL BUSINESS-FRIENDLY STATE**
Small Business & Entrepreneurship Council's Small Business Survival Index (2007)
- **MICHIGAN TAKES TWO SPOTS ON NORTH AMERICAN TOP DEALS LIST**
Ford Motor \$1 billion investment, United Solar Ovonic solar cell factory in Greenville
Site Selection (May 2007)
- **ANN ARBOR #1 ON LIST OF TOP KNOWLEDGE WORKER METROS
LANSING, KALAMAZOO ALSO AMONG TOP METROS**
Expansion Management (2007)
- **3 MICHIGAN TOWNS ON 'BEST PLACES TO LIVE' LIST**
Farmington, Plymouth Twp., Saline among Top 100 Best Places
Harper Woods, Lincoln Park, Melvindale among Most Affordable
Money magazine (2007)
- **ANN ARBOR #5 BEST PLACE TO LIVE IN THE U.S. 2007**
Sperling's annual *Cities Ranked and Rated Guide*
- **MICHIGAN REMAINS 11-YEAR LEADING STATE FOR CUMULATIVE PROJECTS**
Total of 11,822 major new corporate facilities, expansions from 1997 – 2007
Site Selection magazine
- **#4 STATE FOR SMALL TECH INNOVATION 2007**
Small Times (2007)

- **#4 STATE FOR ENGINEERING DEGREES**
American Association of Engineering Societies (2007)
- **#4 STATE FOR INDUSTRY INVESTMENT IN R&D 2007**
State New Economy Index (2007)
- **MICHIGAN #3 STATE IN U.S. MANUFACTURING**
One of top 14 states best positioned to compete nationally, globally
eMvoy Research (2006)

Previous economic development marketing campaigns focused on three distinct audiences: CEO, COO, CTO, CFO (C-level) national and in-state business executives; site selection consultants; and high-tech college students. The current campaign developed in 2006 focuses on C-level executives and site consultants.

The national campaign currently running was designed to change the perception of Michigan as a place that nurtures high-tech business growth among C-level business executives in life sciences, information technology and advanced manufacturing as well as site selection consultants. This campaign includes TV spots, private airport billboards and e-marketing. A new website has been created to support the business attraction and marketing campaign – MichiganAdvantage.org.

Although Michigan has an impressive track record, much work still needs to be accomplished to achieve national and in-state recognition as top choice location for technology driven businesses. Business executive focus groups in California, North Carolina and Massachusetts found that the state's image is still dominated by the automobile industry and cold weather. Michigan's cities consistently rank lower than other states as a cool place to live and work by both business executives and college students. In 2003, Michigan ranked second overall in *Site Selection* magazine's annual business climate survey. Yet, in that same survey, business executives ranked Michigan 15th in terms of its business climate.

Taking this into account, Michigan's economic development marketing campaign must continue to focus on shedding the state's rust belt image and changing these perceptions in the minds of site consultants and business executives. The national and in-state campaign also should include a business recruitment element. Recognizing that we have moved the needle in terms of perception, the next phase will involve generating new business development leads for both our national and in-state account managers. This e-marketing campaign should include strategies that can help to generate new leads and a tracking mechanism of these leads.

The Governor's **21st Century Jobs Fund** will leverage the state's former Michigan Technology Tri-Corridor success, providing a twice-yearly competition for technology funding in high-growth sectors that include life sciences, alternative energy, advanced manufacturing and homeland security and defense. The generation of in- and out-of-state awareness of this new Fund will be an integral component to the economic development marketing campaign.

OBJECTIVES

TRAVEL MARKETING

For travel, the main objective of this RFP is to assist the MEDC in developing and implementing an integrated e-marketing program that results in increasing leisure visitor spending in Michigan.

The MEDC is seeking an e-marketing agency that can work in concert with its partners, its marketing/advertising agency, its research contractors and public relations firm to create and implement a fully integrated e-marketing campaign that uses the resources available to achieve its mission.

Strategic priorities are to:

1. Raise brand awareness and recognition of Michigan as a desirable travel destination, based on meaningful travel measures.
2. Target best return-on-investment visitors in key geographic markets: Chicago, Cleveland, Indianapolis, Milwaukee, Cincinnati, southern Ontario, Cincinnati, Columbus, Dayton and St. Louis, MO; feeder markets Toledo, Fort Wayne, South Bend and Green Bay.
3. Increase visits to and the use of the Travel Michigan web site, michigan.org, for travel planning information.

2008 Travel Marketing Objectives are:

1. Create a new, more user-friendly and Pure Michigan-branded michigan.org tourism website featuring best of class 2.0 functionality. Measurement will be via customer satisfaction surveys and web conversion research.
2. Continue a Pure Michigan-branded direct response advertising campaign effectively deployed in research-indicated best markets. Measurement will be via pre- and post-campaign awareness and ROI. Evaluate the 2008-2009 Partnership program, based on funding decisions. Measurement will be via partner satisfaction surveys.
3. Develop and implement a comprehensive e-marketing strategy, including areas such as e-newsletters, pay-per-click, blogs, social networks, viral marketing, etc. Measurements will be increased traffic to michigan.org from these channels, number of e-newsletter subscribers, etc.
4. Provide a high level of customer satisfaction to both consumers and tourism industry members via all contact points, including welcome centers, call center, e-newsletters, michigan.org, etc. Measurement will be via customer satisfaction research.

BUSINESS MARKETING

For economic development, the main objective of this RFP is to assist the MEDC in the development and implementation of an e-marketing program to improve, among business

leaders, the positive perception of Michigan as a desirable place to do business and to increase national and in-state business development leads.

Strategic priorities are to:

1. Raise brand awareness and recognition of Michigan as a desirable business location nationally and in-state including, but not limited to, the following specific, meaningful measures:
 - a. Create an in-state marketing campaign targeting Michigan business executives that maintains name awareness of the State of Michigan and its economic development resources and promotes those products and services.
 - b. Create a marketing campaign targeting technology business executives, both in-state and nationally, resulting in Michigan ranking among the top 10 states as a favorable business location for their industry sector.
 - c. Create a site consultants' marketing strategy that results in Michigan ranking among the top 5 states as a high tech business location.
 - d. Create a marketing campaign transforming Michigan's economy by targeting emerging industry clusters. These clusters include:
 - Alternative Energy & Fuels;
 - Life Sciences; and
 - Advanced Manufacturing/Transportation
2. Assist the MEDC and its economic development partners in analyzing past e-marketing efforts and developing a strategic campaign for future efforts.

CONTRACTOR RESPONSIBILITIES

TRAVEL MARKETING

For Travel Marketing, the Contractor shall assist in developing and executing e-marketing strategies. All e-marketing strategies, budgets, and creative execution concepts will be developed, revised, and refined based on qualitative and quantitative performance measurement results.

Identified below are the tasks for the e-marketing program. The Contractor is not constrained from supplementing this listing with additional steps, tasks, or elements deemed necessary to permit the development of additional and alternative components or approaches. The tasks are described but not limited to:

1. Recommend, design and assist with the implementation of e-marketing programs targeting repeat and potential visitors utilizing Pay Per Click Advertising and Search Engine Optimization.
2. Recommend, design and assist with the implementation of a social media optimization program generating Michigan tourism publicity through social media marketing methods, online communities and community websites.

3. Recommend, design and assist with the implementation of an Interactive Marketing program to promote and influence the buying decisions of travel consumers utilizing interactive media.
4. Recommend, design and assist with the implementation of an email marketing campaign including the monthly travel e-Newsletter subscriber promotion program.
5. Assist the MEDC with the development and coordination of tourism industry and private sector joint partnership programs including Pay Per Click, Search Engine Optimization, tracking and reporting.

Please Note: Travel Michigan, the travel and tourism arm of the State of Michigan, has implemented a Decision Support Program that integrates the following components into an ongoing decision making process:

Market potential analysis - Claritas, Inc.'s neighborhood target marketing system, Prizm, is used to analyze market potential. The system will evaluate the lifestyle profiles of our past inquirers, the lifestyle profiles of all Michigan visitors as discerned from available syndicated data, and identify high density clusters of potential customers throughout the Midwest. Additionally, profiles of visitors to competitive states will be developed, by market, to identify the competitive landscape in each current or proposed new market.

Research input - Travel Michigan, through its research contractors, will evaluate both current and proposed markets with a strong emphasis on Designated Market Area awareness, perception monitoring and competitive standing. This information, in combination with Claritas and Shifflet, will provide direction for our promotion campaigns. The research company also will conduct other performance measurement efforts including customer satisfaction surveys, conversion studies and new market testing.

Internal cost analysis - Travel Michigan will be collecting all costs connected to every advertising campaign including creative, media placement, printing, fulfillment, staff time, etc., to generate a true cost per inquiry.

Economic impact analysis – Travel Michigan will be using an economic impact model developed by Michigan State University to apply an estimated economic impact to each inquiry received. The model will be used to generate an estimated economic impact for each advertising campaign, which will then be divided by the associated internal costs to derive a return on investment figure.

Return on investment study – Travel Michigan will engage a research contractor to analyze the results of its tourism promotion efforts, providing return on investment results for all major campaigns.

BUSINESS MARKETING

For Business Marketing, the Contractor shall assist in developing and executing e-marketing strategies. All e-marketing strategies, budgets, and creative execution concepts will be developed, revised, and refined based on qualitative and quantitative performance measurement results.

Identified below are the tasks for the e-marketing program. The Contractor is not constrained from supplementing this listing with additional steps, tasks, or elements deemed necessary to permit the development of additional and alternative components or approaches. The tasks include, but are not limited to, the following:

1. Recommend, design and assist with the implementation of e-marketing programs to improve, among business leaders, the positive perception of Michigan as a desirable place to do business and to increase national and in-state business development leads utilizing Pay Per Click Advertising and Search Engine Optimization.
2. Recommend, design and assist with the implementation of a social media optimization program generating positive Michigan business publicity through social media marketing methods, online communities and community websites.
3. Recommend, design and assist with the implementation of an Interactive Marketing program utilizing interactive media to promote Michigan as a desirable business location nationally and in-state.
4. Recommend, design and assist with the implementation of an email marketing campaign.

Section II **RFP PROCESS AND TERMS AND CONDITIONS**

A) PRE-BID MEETING/QUESTIONS

A pre-bid meeting will not be held.

All questions from Bidders concerning the specifications in this RFP must be received via email no later than **5:00 p.m. on June 13, 2008**. **Questions must be submitted to:**

Contracts and Grants
contracts&grants@michigan.org

B) PROPOSALS

To be considered, Bidder's must submit a complete response to this RFP, using the format provided in Section III of this RFP by **5:00 p.m. on July 7, 2008**. No other distribution of proposals is to be made by the Bidder.

Please Note: The two parts of this proposal cannot be bid on separately, but must be submitted for both travel leisure and business marketing campaigns.

The Technical Proposal must be signed in ink by an official of the Bidder authorized to bind the Bidder to its provisions. The proposal must include a statement as to the period during which it remains valid; this period must be at least **ninety (90) days from July, 7, 2008**. The rates quoted in the PRICE PROPOSAL remain firm for the period indicated in Section III.

C) ECONOMY OF PREPARATION

Each proposal should be prepared simply and economically, providing a straightforward, concise description of the Bidder's ability to meet the requirements of the RFP. Emphasis should be on completeness and clarity of content.

D) SELECTION OF CRITERIA

Responses to this RFP will be evaluated upon a two step selection process.

The first step is an evaluation of which proposals satisfactorily meet the requirements of this RFP. Proposals will be graded on two criteria for this purpose.

1. Step I – Criteria for Satisfactory Bids

- a) *Proposal Content* – The proposal must address the requirements described in Section III of this RFP.
- b) *Competence, Experience and Staffing Capacity* – The proposal should indicate the ability of the Bidder to meet the requirements of this RFP, especially the time constraints, quality, and recent projects similar to that described in this RFP. The proposal should indicate the competence of the personnel whom the Bidder intends to assign to the project, including education and experience, with particular reference to experience on projects similar to that described in this RFP and qualifications of Bidder's Project Manager and the Project Manager's dedicated management time, as well as that of other key personnel working on this project.

2. Step II – Selection and Award

- a) During the second step of the selection process, proposals will be considered by a Joint Evaluation Committee ("JEC") comprised of individuals selected by the Contract Manager. Only those proposals that satisfy the requirements described in this RFP, as determined in the sole discretion of the JEC, will be considered for evaluation in Step II. The JEC reserves the right to request additional information from any Bidder.
- b) During the JEC's review, Bidders may be required to make oral presentations of their proposals to the JEC. These presentations provide an opportunity for the Bidders to clarify the proposals. The MEDC will schedule these presentations, if required by the JEC.
- c) Based on what is in the best interest of the MEDC, the MEDC will award the Contract considering price, value, and quality of proposals that were approved as a result of this two-step evaluation process.

E) BIDDERS COSTS

The MEDC is not liable for any costs incurred by any Bidder prior to signing of the Contract by all parties.

F) TAXES

The MEDC may refuse to award a contract to any Bidder who has failed to pay any applicable taxes or if the Bidder has an outstanding debt to the State, or the MEDC.

Except as otherwise disclosed in an exhibit to the Proposal, Bidder certifies that all applicable taxes are paid as of the date the Bidder's Proposal was submitted to the MEDC and the Bidder owes no outstanding debt to the state, or the MEDC.

G) CONFLICT OF INTEREST

The Bidder must disclose, in an exhibit to the proposal, any possible conflicts of interest that may result from the award of the Contract or the services provided under the Contract.

Except as otherwise disclosed in the proposal, the Bidder affirms that to the best of its knowledge there exists no actual or potential conflict between the Bidder, the Bidder's project manager(s) or its family's business or financial interests ("Interests") and the MEDC or services provided under the Contract. In the event of any change in either Interests or the services provided under the Contract, the Bidder will inform the MEDC regarding possible conflicts of interest which may arise as a result of such change and agrees that all conflicts shall be resolved to the MEDC's satisfaction or the Bidder may be disqualified from consideration under this RFP. As used in this Section, "conflict of interest" shall refer to "conflicts of interest" as defined in Michigan law, including, but not be limited to, the following:

- (i) Giving or offering a gratuity, kickback, money, gift, or any thing of value to a MEDC official, officer, or employee with the intent of receiving a contract from the MEDC or favorable treatment under a contract;
- (ii) Having or acquiring at any point during the RFP process or during the term of the Contract, any contractual, financial, business or other interest, direct or indirect, that would conflict in any manner or degree with Bidder's performance of its duties and responsibilities to the MEDC under the Contract or otherwise create the appearance of impropriety with respect to the award or performance of the Contract; and
- (iii) Currently in possession of or accepting during the RFP process or the term of the Contract anything of value based on an understanding that the actions of the Bidder or its affiliates or Interests on behalf of the MEDC will be influenced.

H) BREACH OF CONTRACT

Except as otherwise disclosed in an exhibit to Bidder's proposal, Bidder is not in material default or breach of any contract or agreement that it may have with the State of Michigan or any of its departments, commissions, boards or agencies, or any other public body in the State of Michigan. Further, Bidder represents and warrants that it has not been a party to any contract with the State or any public body that was terminated within the previous five (5) years because the Bidder failed to perform or otherwise breached an obligation of such contract.

I) DISCLOSURE OF LITIGATION

Except as otherwise disclosed in an exhibit to Bidder's proposal, there is no criminal litigation, investigations or proceedings involving the Bidder (and each subcontractor, if subcontractors will be used to provide the goods/services requested under this RFP) or any of the Bidder's officers or directors or any litigation or proceedings under the Sarbanes-Oxley Act. In addition, Bidders must disclose in the exhibit requested under this Section of the RFP any civil litigation, arbitration or proceeding to which the Bidder (or, to the extent Bidder is aware, any subcontractor) is a party and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of the Bidder (or subcontractor); or (ii) a claim or written allegation of fraud or breach of contract against Bidder (or, to the extent Bidder is aware, subcontractor) by a governmental or public entity arising out of their business dealings with governmental or public entities. Details of any settlements which Bidder is prevented from disclosing under the terms of the settlement may be annotated as such.

J) FALSE INFORMATION

If the MEDC determines that a Bidder purposefully or willfully submitted false information in response to this RFP, the Bidder will not be considered for an award and any resulting Contract that may have been executed may be terminated.

K) DISCLOSURE OF INFORMATION

All bidders should be aware that proposals submitted to the MEDC in response to this RFP may be subject to disclosure under the provisions of Public Act 442 of 1976, as amended, known as the "Freedom of Information Act" (FOIA). Accordingly, confidential information should be excluded from Bidders' proposals. Bidders, however, are encouraged to provide sufficient information to enable the MEDC to determine the Bidder's qualifications and to understand or identify areas where confidential information exists and could be provided. The FOIA also provides for the complete disclosure of the Contract and any attachments and exhibits thereto.

L) PRICES HELD FIRM

LENGTH OF TIME PRICES ARE TO BE HELD FIRM: All rates quoted in Bidder's response to this RFP will be firm for the duration of the Contract. No price changes will be permitted. IN THE EVENT THAT PROPOSED CHANGES ARE NOT ACCEPTABLE TO THE MEDC, THE CONTRACT SHALL BE TERMINATED AND THE MODIFIED CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING.

M) CHANGES IN THE RFP

Changes made to the RFP as the result of responses made to qualifying questions or concerns will be put in writing to each Bidder. The MEDC will not respond to telephone inquiries or visitation by Bidders or their representatives. The MEDC does not commit to answering questions received after the date and time specified in Section II-A.

N) SEALED BID RECEIPT

SEALED HARD COPIES AND ELECTRONIC PROPOSALS MUST BE RECEIVED AND TIME-STAMPED BY THE MEDC, CONTRACT AND GRANTS, ON OR BEFORE **5:00 p.m.** on **July 7, 2008**. THE MEDC HAS NO OBLIGATION TO CONSIDER ANY PROPOSAL THAT IS NOT RECEIVED BY THE APPOINTED TIME.

O) RESERVATION OF MEDC DISCRETION

Notwithstanding any other statement in this RFP, the MEDC reserves the right to:

1. reject any and all proposals;
2. waive any errors or irregularities in the bidding process or in any proposal;
3. rebid the project;
4. negotiate with any Bidder for a reduced price, or for an increased price to include any alternatives that the Bidder may propose;
5. reduce the scope of the project, and rebid or negotiate with any Bidder regarding the revised project; or
6. defer or abandon the project.

P) BID PROTEST PERIOD

If a Bidder wishes to initiate a protest of the award recommendation, the Bidder must submit a protest in writing by 5:00 p.m. within fourteen calendar days from the date of the notice of award sent by the MEDC. The written protest should include the RFP number, clearly state the facts believed to constitute an error in the award recommendation, and describe the desired remedy. Only the information provided within the protest period will be considered in arriving at a decision. The MEDC is not required to take into consideration any material filed by any party after the protest deadline. The MEDC's CEO or designee will provide a written decision to the protesting party after investigating the matter or, if more information is needed, will schedule an informal meeting before issuing a decision. This decision is final.

To maintain the integrity of the procurement process and to ensure that the procurements are received without undue delay, protests requesting a waiver of the following omissions and requirements cannot be granted:

1. Failure of a Bidder to properly complete sealed bid return envelope instructions;
2. Failure of a Bidder to submit the Bid by the due date and time;
3. Failure of a Bidder to provide samples, descriptive literature or other required documents by the date and time specified; and
4. Failure of a Bidder to submit a protest within the time stipulated in the notice to award or as determined by the MEDC.

In fairness to Bidders who meet specifications and to prevent delays in procurement, the MEDC will not withdraw an award or re-evaluate bids when a protest maintains that the

RFP specifications were faulty or that a bid exceeding specifications provided a better value than a lower bid meeting specifications.

Q) JURISDICTION

In the event that there are conflicts concerning this RFP that proceed to court, jurisdiction will be in a Michigan court of law. Nothing in this RFP shall be construed to limit the rights and remedies of the MEDC that are otherwise available.

Section III
PROPOSAL FORMAT

To be considered, each Bidder must submit a COMPLETE proposal in response to this RFP using the format specified. Bidder's proposal must be submitted in the format outlined below. There should be no attachments, enclosures, or exhibits other than those required in the RFP or considered by the Bidder to be essential to a complete understanding of the proposal. Each section of the proposal should be clearly identified with appropriate headings:

Please Note: The two parts of this proposal cannot be bid on separately, but must be submitted for both travel leisure and business marketing campaigns.

A) TECHNICAL PROPOSAL

1. Business Organization and History - State the full name, address and phone and facsimile number of your organization and, if applicable, the branch office or other subordinate element that will perform, or assist in performing, the work hereunder. Indicate whether it operates as an individual, partnership, or corporation; if as a corporation, include the state in which it is incorporated. If appropriate, the proposal must state whether the organization is licensed to operate in the State of Michigan.
2. Statement of the Problem – State the succinct terms your understanding of the problem(s) presented by this RFP.
3. Narrative – Include a narrative summary description of the proposed effort and of the service(s)/product(s) that will be delivered.
4. Technical Work Plans – Provide a detailed research outline and timelines for accomplishing the work. Include a Project Evaluation Review Technique (“PERT”) type display, time related, showing each event, task, and decision point in your work plan.
5. Prior Experience – Describe the prior experience of your organization, which you consider relevant to the successful accomplishment of the project defined in this RFP. Include sufficient detail to demonstrate the relevance of such experience. Proposals submitted should include, in this Section, descriptions of qualifying experience to include project descriptions, costs, and starting and completion dates of projects successfully completed; also, include the name, address, and phone number of the responsible official of the client organization who may be contacted.
6. Project Staffing – The Bidder must be able to staff a project team which possesses talent and expertise in the field of e-Marketing. Identify a Project Manager and staff assigned by name and title. Include biographies, experience and any other

appropriate information regarding the work team's qualification for this initiative. Indicate staff turnover rates. Show where the project team will be physically located during the time they are engaged in the work. Indicate which of these individuals you consider key to the successful completion of the work. Indicate the amount of dedicated management time for the Bidder's Project Manager and other key individuals. Do not include any financials for the contemplated work within the Technical Proposal. Resumes of qualifications should be supplied for proposed project personnel.

Please Note: The MEDC further reserves the right to interview the key personnel assigned by the Contractor to this project and to recommend reassignment of personnel deemed unsatisfactory.

7. Subcontractors – List here all subcontractors that will be engaged to accomplish the project described in this RFP; include firm name and address, contact person and complete description of work to be subcontracted. Include descriptive information concerning subcontractor's organization and abilities. Also, the information provided in response to A-3, above, should include detailed information about each potential subcontractor.
8. Bidder's Authorized Expediter – Include the name and telephone number of person(s) in your organization authorized to expedite any proposed contract with the MEDC.
9. Exhibits and Attachments – Attach the Exhibits required under Sections II(F), (G), (H), and (I), if applicable, and Attachment B.
10. Additional Information and Comments – Include any other information that is believed to be pertinent, but not specifically asked for elsewhere.

B) PRICE PROPOSAL

Provide the cost/rate/price information for all firms/persons named in your Technical Proposal to demonstrate the reasonableness of your Price Proposal. Attach a schedule of all expenses covering each of the services and activities identified in your proposal.

The MEDC is exempt from federal excise tax, and state and local taxes. The Price Proposal should not include taxes.

HARD COPIES AND ELECTRONIC PRICING PROPOSALS MUST BE LABELED, BOUND, SEALED AND IDENTIFIED IN THE SUBJECT LINE AND SENT SEPARATELY FROM THE TECHNICAL PORTION OF YOUR PROPOSAL.

Bidders Please Note: Rates quoted in response to this RFP are firm for the duration of the Contract; no price increase will be permitted.

C) PROPOSAL SUBMITTAL

Submit **seven (7) copies** via regular mail and an **electronic copy** of your **Technical and your separately sealed Price Proposal** in accordance with the following instructions:

SEALED HARD COPIES AND ELECTRONIC PROPOSALS MUST BE RECEIVED AND TIME-STAMPED BY THE MEDC, CONTRACTS AND GRANTS, NOT LATER THAN **5:00 p.m. ON JULY 7, 2008**. THE MEDC HAS NO OBLIGATION TO CONSIDER ANY PROPOSAL THAT IS NOT TIMELY RECEIVED.

BIDDERS ARE RESPONSIBLE FOR ASSURING THAT THE FOLLOWING IDENTIFYING INFORMATION APPEARS ON THE OUTSIDE OF THE ENVELOPE, AND ON THE SUBJECT LINE OF THE ELECTRONIC SUBMISSION: "Sealed Bid" notation, company or organization name, date due, and time due. If a delivery service is used which prohibits such markings on their envelope or package, this information must be placed on the outside of an interior envelope or package.

The address for proposals submitted by CONTRACT CARRIER, COURIER DELIVERY or PERSONAL DELIVER, or U.S. POSTAL SERVICE is:

Contracts and Grants
Michigan Economic Development Corporation
300 N. Washington Square, 2nd Floor
Lansing, MI 48913

The address for the ELECTRONIC proposal is:

Contracts&grants@michigan.org

Section IV **CONTRACTUAL TERMS AND CONDITIONS**

A) CONTRACTOR TERMS AND CONDITIONS

1. The Contract – The proposal selected will be subject to the terms and conditions of the MEDC Professional Services Contract (the "Contract") upon execution of the Contract by the MEDC and Bidder. The standard terms and conditions of the Contract are attached to this RFP as Attachment A. The MEDC, in its sole discretion, may modify these terms and conditions before executing the contract with a successful Bidder.
2. Term of Work – It is estimated that the activities in the proposed Contract will cover the period **October 1, 2008** through **September 30, 2009**.
3. Electronic Payment Requirement – Public Act 533 of 2004 requires that payments under this Contract be processed by electronic funds transfer (EFT). Contractor is required to receive payments by EFT at the Contract & Payment Express website (www.cpexpress.state.mi.us).
4. Modification of Service – The MEDC reserves the right to modify the requested services during the course of the Contract. Such modifications must be made in writing and may include addition or deletion of tasks or any other modifications deemed necessary. Any changes in pricing proposed by the Bidder resulting from the requested changes are subject to acceptance by the MEDC. Changes may be increases or decreases.

In the event changes are not acceptable to the MEDC, the Contract shall be subject to competitive bidding based upon the new specifications.

5. Subcontracting – The MEDC reserves the right to approve any subcontractors for the Contract and to require the bidder, upon award of the Contract, to replace subcontractors that the MEDC finds to be unacceptable.
6. Award of Contract – The MEDC reserves the right to award all or any part of this RFP and, based on what is in the best interest of the MEDC, the MEDC will award the Contract considering price, value and quality of the bids.

B) CONTRACTOR RESPONSIBILITIES

The selected Bidder will be required to assume responsibility for all contractual activities offered in this RFP whether or not the Bidder performs them. Further, the MEDC will consider the selected Bidder to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the Contract.

C) ACCEPTANCE OF PROPOSAL CONTENT

If awarded a Contract, the contents of this RFP will become contractual obligations. The following constitute the complete and exclusive statement of the agreement between the parties as it relates to this transaction:

1. This RFP (including subsequent written clarification provided in response to questions raised by email) and any Addenda thereto; and
2. Final Executed Contract.

In the event of any discrepancies between the above documents, the final executed Contract shall control. Failure of the successful Bidder to accept these obligations may result in cancellation of the award.

D) PROJECT CONTROL AND REPORTS

1. Project Control

- a) The selected Bidder (the “Contractor”) will carry out this project under the direction and control of the Marketing, Communications, Relations & Travel Michigan Unit of the MEDC.
- b) The MEDC will appoint a Contract Manager for this project. Although there will be continuous liaison with the Contractor team, the Contract Manager will meet with the Contractor’s project manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems which arise.
- c) The Contractor will submit brief written monthly summaries of progress which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated which should be brought to the attention of the Contract Manager and notification of any significant deviation from previously agreed upon work plans.
- d) Within five (5) working days of the execution of the Contract, the Contractor will submit a work plan to the Contract Manager for final approval. This work plan must be in agreement with Section III-A of this RFP as proposed by the Bidder

and accepted by the MEDC for contract, and must include the following:

- i) The Contractor's project organizational structure.
- ii) The Contractor's staffing table with names and titles of personnel assigned to the project. This must be in agreement with staffing of the accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the MEDC.
- iii) The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.
- iv) The time-phased plan in the form of a graphic display, showing each event, task, and decision point in your work.

Attachment A

PROFESSIONAL SERVICES CONTRACT
TERMS AND CONDITIONS

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION
PROFESSIONAL SERVICES CONTRACT WITH
"Name of selected vendor"

The Michigan Economic Development Corporation (the "MEDC") enters into a binding agreement for professional services (the "Agreement") with _____ (the "Contractor"). The MEDC and Contractor shall sometimes be referred in this Agreement individually as "Party" or collectively as "Parties."

Contractor: [NAME]
[ADDRESS]

Federal I.D. No:

NATURE OF SERVICES

Develop and execute both travel leisure and business e-Marketing campaigns and promotions.

PERFORMANCE SCHEDULE

Starting Date: October 1, 2008

Ending Date: September 30, 2009

The term of this Agreement (the "Term") shall begin on the Starting Date and end on the Ending Date, unless terminated earlier as permitted under Paragraph J of the Section titled "Terms and Conditions."

COMPENSATION INFORMATION

- A) The MEDC agrees to pay Contractor an amount not to exceed **[\$[CONTRACT AMOUNT]]** during the Term. This amount includes all embedded expenses.
- B) Payment under this Agreement shall be made by the MEDC to Contractor upon receipt and approval by the Contract Manager of Contractor's billing statement stating that the work for which payment is requested has been appropriately performed. Contractor shall provide the Contract Manager with Contractor's billing statement on a monthly basis.
- C) All billing statements must reflect actual work done. Specific details of billing statements and payments will be agreed upon between the Contract Manager and the Contractor after the Contract has been signed and accepted by both the Contractor and the MEDC. Payment of the final 15% of the Contract amount shall be made only after the satisfactory completion of the required work, including all reports, and the submission of the final invoice.
- D) Changes in the budget will be allowed only upon prior review and written approval by the Contract Manager.
- E) Contractor's billing statement(s) may be subject to a final audit prior to the release of final payment.

MEDC CONTRACT MANAGER

Contractor should communicate with the following MEDC representative or designee regarding this Agreement:

Michigan Economic Development Corporation
300 N. Washington Square
Lansing, Michigan 48913
Telephone:

TERMS AND CONDITIONS

A) Contractor Duties

1. Contractor agrees to undertake, perform, and complete the services described in Exhibit A, which is incorporated herein by reference.
2. Within seven (7) business days of the last business day of each month, the Contractor will provide a progress report to the MEDC Contract Manager. The progress report must contain a brief summary of the work accomplished during that month; the work to be accomplished during the subsequent month; any problems, real or anticipated which should be brought to the attention of the MEDC Contract Manager. Further, this report must provide notice of any significant deviation from previously agreed upon work plans.

B) Independent Contractor

Contractor will act as an independent contractor under this Agreement, and neither Contractor nor any employee or agent or contract personnel of Contractor is, or shall be deemed to be, an employee of the MEDC due to this Agreement and the relationship between Contractor and MEDC. In its capacity as an independent contractor, Contractor agrees to and represents the following:

1. Contractor will provide the services under this Agreement free from the direction or control of the MEDC as to means, manners, and methods of performance;
2. Contractor has the right and does fully intend to perform services for third parties during the Term;
3. Contractor acknowledges that any work product developed by Contractor in performance of this Agreement shall be the sole property of the MEDC and the MEDC shall have the right to copyright or otherwise protect its rights in and ownership of the work product;
4. The services required by this Agreement shall be performed by Contractor, or Contractor's employees or contract personnel, and the MEDC shall not hire, supervise, or pay any assistants to help Contractor;
5. Neither Contractor nor Contractor's employees or contract personnel shall receive any training from the MEDC in the professional skills necessary to perform the services required by this Agreement; or
6. Neither Contractor nor Contractor's employees or contract personnel shall be required by the MEDC to devote full time to the performance of the services required by this Agreement; and

7. Contractor does not receive the majority of its annual compensation from the MEDC.

The Parties acknowledge and agree that the MEDC is entering into this Agreement with reliance on the representations made by Contractor relative to its independent contractor status.

C) Permits and Licenses

Contractor declares that Contractor has complied with all federal, state and local laws requiring any business permits, certificates or licenses required to carry out the services to be performed under this Agreement, and Contractor will maintain those permits, certificates and/or licenses throughout the Term.

D) Materials

Contractor will furnish all materials, equipment and supplies used to provide the services required by this Agreement.

E) State and Federal Taxes

The MEDC will not:

1. Withhold FICA (Social Security and Medicare taxes) from Contractor's payments or make FICA payments on Contractor's behalf; or
2. Make state or federal unemployment compensation contributions on Contractor's behalf, or withhold state or federal income tax from Contractor's payments.

Contractor shall pay all taxes incurred while performing services under this Agreement, including, but not limited to all applicable income taxes. If requested by the MEDC, Contractor shall provide the MEDC with proof that such payments have been made.

F) Fringe Benefits

Contractor understands that neither Contractor nor Contractor's employees or contract personnel are eligible to participate in any employee pension, health, vacation pay, sick pay, or other fringe benefit plan of the MEDC.

G) Workers' Compensation

The MEDC shall not obtain workers' compensation insurance on behalf of Contractor or Contractor's employees. If Contractor hires employees to perform any work under this Agreement, Contractor shall cover them with workers' compensation insurance and shall maintain such insurance during the Term. The MEDC may, in its discretion, require Contractor to provide evidence of such coverage.

H) Unemployment Compensation

The MEDC shall make no state or federal unemployment compensation payments on behalf of Contractor or Contractor's employees or personnel. Contractor will not be entitled to these benefits in connection with work performed under this Agreement. If Contractor files a

petition for and receives unemployment compensation, the total amount of unemployment compensation awarded to and received by Contractor shall be deducted from and be an offset against the amount of compensation due and payable to Contractor by the MEDC under this Agreement.

I) Access to Records

During the Term, and for seven (7) years after the Ending Date, Contractor shall maintain reasonable records, including evidence that the requested services actually were performed and the identity of all individuals paid for such services, and shall allow access to those records by the MEDC, or its authorized representatives during this period.

J) Termination

Either Party may terminate its obligations under this Agreement by giving the other Party thirty (30) calendar days' prior written notice of such termination.

The MEDC may immediately terminate this Agreement upon written notice to Contractor if Contractor materially breaches its obligations under this Agreement or engages in any conduct which the MEDC, in its sole discretion, determines has or could have an adverse impact on the State of Michigan's (the "State") or the MEDC's reputation or interests. In addition, the MEDC may immediately terminate this Agreement upon written notice to Contractor without further liability to the MEDC or the State, its departments, agencies, and employees, if Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense relating to a State, public, or private contract or subcontract; or convicted of a criminal offense including, but not limited to, any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under state or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the MEDC, reflects on Contractor's business integrity.

Contractor acknowledges that MEDC's performance of its payment obligation is dependent upon the MEDC Executive Committee's continued approval of funding and/or the MEDC's continued receipt of State funding. In the event that the State Legislature, the State Government or any State official, public body corporate, commission, authority, body or employees, including the MEDC Executive Committee: (a) takes any action which fails to provide, terminates or reduces the funding that is related to the source of funding for this Agreement; or (b) takes any action that is unrelated to the source of funding for this Agreement, but affects the MEDC's ability to perform obligations under this Agreement, then the MEDC may terminate this Agreement by providing thirty (30) calendar days notice prior to the effective date of cancellation. In the event, however, that the action of the State Legislature, the State of Michigan or MEDC's Executive Committee results in an immediate absence or termination of funding, this Agreement may be terminated effective immediately upon delivery of notice to the Contractor. In the event of immediate termination of funding, the MEDC will make payment through the effective date of termination for any undisputed services rendered and expenses incurred.

The MEDC shall have no obligation to Contractor for any fees or other payments incurred in connection with this Agreement, after the effective date of termination. Upon termination, all work product prepared or produced by Contractor pursuant to this Agreement shall be

immediately delivered to the MEDC. Payment for any undisputed services rendered and expenses incurred through the effective date of termination will then promptly be made by the MEDC.

K) MEDC Employees

Contractor will not hire any employee of the MEDC to perform any services covered by this Agreement without prior written approval from the Chief Executive Officer of the MEDC.

L) Confidential Information

Except as required by law, Contractor shall not use or disclose, either before, during or after the Term, any proprietary or confidential information, including, but not limited to, applications, business bids, business plans, economic development analyses, computer programs, databases and all materials furnished to Contractor by the MEDC (collectively "Confidential Information") without the prior written consent of the MEDC. Confidential Information does not include information obtained by Contractor from third party sources that is already in the possession of, or is independently developed by, Contractor, or that becomes publicly available other than through breach of this Paragraph, or is released with the prior written consent of the governmental entity or entities that provided the Confidential Information to Contractor. Contractor acknowledges that all information provided by the MEDC in connection with Contractor's duties under this Agreement shall be treated as Confidential Information unless otherwise stated in this Paragraph.

M) Conflict of Interest

Except as has been disclosed to the MEDC, Contractor affirms that neither the Contractor, nor its Affiliates or their employees, has, shall have, or shall acquire any contractual, financial business or other interest, direct or indirect that would conflict in any manner with Contractor's performance of its obligations under this Agreement or otherwise create the appearance of impropriety with respect to this Agreement.

Contractor further affirms that neither Contractor nor any affiliates or employees of either has accepted or shall accept anything of value based on an understanding that the actions of the Contractor or its affiliates or either's employees on behalf of the State would be influenced. Contractor shall not attempt to influence any State employee by the direct or indirect offer of anything of value. Contractor also affirms that neither Contractor, nor its Affiliates or their employees has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractors or such Affiliate, any fee, commission, percentage, brokerage fee, gift or any other consideration contingent upon or resulting from the execution of this Agreement.

In the event of change in either the interests or services under this Agreement, Contractor will inform the MEDC regarding possible conflicts of interest which may arise as a result of such change, Contractor agrees that conflicts of interest shall be resolved to the MEDC's satisfaction or the MEDC may terminate this Agreement. As used in this Paragraph, "conflict of interest" shall include, but not be limited to, conflicts of interest that are defined under the laws of the State of Michigan.

N) Representations of Contractor

Contractor affirms to the best of its knowledge that it or its owners:

1. Do not have any criminal convictions;
2. Are not a subject of any pending criminal investigation;
3. Are not subject of any past, present or pending investigations by the internal Revenue Service or any other federal or state taxing body or court;
4. Are not a subject of any past, pending or present litigation regarding its conduct; or
5. Is not in material default or breach of any other contract or agreement that it may have with the State of Michigan, the MEDC or any other public body. Contractor further represents and warrants that it has not been a party to any contract with the State, the MEDC or other public body that was terminated within the previous five (5) years due to the Contractors failure to perform or otherwise breached an obligation of such contract.

O) State of Michigan Competitors

Any information or knowledge Contractor gains during the course of this Agreement concerning the economic development efforts of the State of Michigan, the MEDC or the business conditions or business community in Michigan shall not be disclosed to any public or private party, sovereign authority or foreign government, during the Term and for a period of two (2) years after the effective date of termination of this Agreement or so long as any information remains confidential pursuant to any contract, law, treaty, resolution or other enforceable promise.

P) Indemnification and Contractor Liability Insurance

To the extent permitted by law, Contractor shall indemnify, defend, and hold harmless the State of Michigan, the MEDC and its employees (the "Indemnified Parties") from any and all liability arising out of or in any way related to Contractor's performance under this Agreement, including any liability resulting from any acts of Contractor's employees or agents. Contractor shall purchase and maintain such insurance to protect the Indemnified Parties from claims that might arise out of or as a result of Contractor's operations. Contractor will provide and maintain its own errors and omissions liability insurance for Contractor's indemnification obligation under this Agreement. The insurance shall be written for not less than One Million (\$1,000,000) Dollars of coverage, but does not limit Contractor's indemnification to this amount.

Q) Total Agreement

This Agreement, together with Exhibit A, contains the entire agreement between the Parties superseding any prior or concurrent agreements as to the services being provided, and no oral or written terms or conditions which are not contained in this Agreement shall be binding. This Agreement may not be changed except by written agreement signed by the Parties.

R) Assignment/Transfer/Subcontracting

Contractor shall not assign, transfer, convey, subcontract, or otherwise dispose of any duties or rights under this Agreement without the prior specific written consent of the MEDC. Contractor agrees that any of Contractor's future successors or subcontractors will be bound by the provisions of this Agreement unless MEDC otherwise agrees in a specific written consent. The MEDC reserves the right to approve subcontractors for this Agreement and to require Contractor to replace subcontractors who are found to be unacceptable.

S) Non-Discrimination and Unfair Labor Practices

In connection with this Agreement, Contractor shall comply with 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 all other federal, state and local fair employment practices and equal opportunity laws and covenants that it shall not discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of his or her race, religion, color, national origin, age, sex, height, weight, marital status, or physical or mental disability that is unrelated to the individual's ability to perform the duties of a particular job or position. In addition, as provided in Executive Directive 2007-24, Contractor shall not discriminate against any employee or applicant for employment with respect to his or her hire, terms, tenure, conditions or privileges of employment, or any matter directly or indirectly related to employment because of sexual orientation, gender identity or expression, or genetic information unrelated to the individual's ability to perform the duties of a particular job or position. Contractor further agrees that every subcontract entered into in connection with this Agreement will contain a provision requiring nondiscrimination in employment, as required in this Agreement, binding upon each subcontractor.

Pursuant to 1980 PA 278 (the "Act"), MCL 423.321 et seq., the State shall not award a contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled by the United States National Labor Relations Board. Contractor, in relation to this Agreement, shall not enter into a contract with a subcontractor, manufacturer, or supplier whose name appears on this register. Pursuant to section 4 of the Act, the MEDC may void this Agreement if, after the Starting Date, the name of the Contractor as an employer or the name of the subcontractor, manufacturer or supplier of Contractor appears on the register.

A breach of this Paragraph constitutes a material breach of this Agreement.

T) Jurisdiction

The laws of the State of Michigan shall govern this Agreement. The Parties shall make a good faith effort to resolve any controversies that arise regarding this Agreement. If a controversy cannot be resolved, the Parties agree that any legal actions concerning this Agreement shall be brought in the Ingham County Circuit Court in Ingham County, Michigan, USA. Contractor acknowledges by signing this Agreement that it is subject to the jurisdiction of this court and agrees to service by first class or express delivery wherever Contractor resides, in or outside of the United States.

U) Compliance with Laws

Contractor shall comply with all applicable state, federal and local laws and ordinances in providing the services under this Agreement.

V) No Partnership or Agency Relationship

This Agreement does not create a partnership relationship. Further, neither Contractor nor Contractor's employees or other representatives shall hold themselves out to third parties as an agent or representative of MEDC, nor shall they have any authority to take any action or enter into any agreement on behalf of MEDC.

W) No Third Party Beneficiaries

There are no express or implied third party beneficiaries to this Agreement.

X) Counterparts

This Agreement may be executed in one or more counterparts and by facsimile, each of which shall constitute an original, and all of which together shall constitute one and the same instrument.

Y) Reimbursement

If this Agreement is terminated as a result of the misuse of funds as reasonably determined by the MEDC, MEDC shall have no further obligation to make any payments to Contractor. Furthermore, Contractor shall reimburse MEDC for payments which were expended for purposes other than as set forth in this Agreement, as well as any funds which were previously disbursed under this Agreement but not yet expended by Contractor.

(Remainder of page intentionally left blank)

The signatories below warrant that they are empowered to enter into this Agreement.

CONTRACTOR ACCEPTANCE:

[name of contractor]

Dated: _____

By: _____

Its: _____

MEDC ACCEPTANCE:

Michigan Economic Development Corporation

Dated: _____

By: _____

Its: _____

Attachment B

**Independent Price Determination and
Prices Held Firm Certification**

INDEPENDENT PRICE DETERMINATION

- I. By submission of a proposal, the Bidder certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, that in connection with this proposal:
 - A) The prices in the proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition as to any matter relating to such prices with any other Bidder or with any competitor; and
 - B) Unless otherwise required by law, the prices which have been quoted in the proposal have not been knowingly disclosed by the Bidder and will not knowingly be disclosed by the Bidder prior to award directly or indirectly to any other Bidder or to any competitor; and
 - C) No attempt has been made or will be made by the Bidder to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.

- II. Each person signing the proposal certifies that she/he:
 - A) Is the person in the Bidder's organization responsible within that organization for the decision as to the prices being offered in the proposal and has not participated (and will not participate) in any action contrary to I(A), (B), and (C) above; or
 - B) Is not the person in the Bidder's organization responsible within that organization for the decision as to the prices being offered in the proposal but has been authorized, in writing, to act as agent for the persons responsible for such decision in certifying that such persons have not participated (and will not participate) in any action contrary to I(A), (B), and (C), above.

A proposal will not be considered for award if this Attachment B has been altered so as to delete or modify I(A) or (C) above. If I(B), has been modified or deleted, the proposal will not be considered for award unless the Bidder provides, with this Attachment B, a signed statement which sets forth, in detail, the circumstances of the disclosure and the MEDC determines that such disclosure was not made for the purpose of restricting competition.

PRICES HELD FIRM

LENGTH OF TIME PRICES ARE TO BE HELD FIRM: All rates quoted in bidder's response to this RFP will be firm for the duration of the Contract. No price changes will be permitted.

Signed _____

Dated _____