

Request for Proposals
Michigan Strategic Fund
Business and Travel Marketing
RFP-Doc-1735

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** copies of each of the following:

- Technical Proposal for (Section III-B):
 - Travel Marketing, or
 - Business Marketing, or
 - Combined – Travel Marketing and Business Marketing.
- Price Proposal for (Section III-C):
 - Travel Marketing, or
 - Business Marketing, or
 - Combined – Travel Marketing and Business Marketing.;
- Signed Independent Price Determination Certificate (Attachment B).
- Conflicts of Interest Disclosure (if applicable) (Section II-G).

Please Note: Purchasing operations also reminds vendors that any company recommended for award **must be Electronic Funds Transfer (EFT) compliant** by the time state administrative board approval has been obtained. In the event that the EFT compliance is not met, the state may withdraw the original recommendation, resubmit, and award instead to a company which is compliant.

IMPORTANT DUE DATES

- **March 4, 2009 5:00 p.m.:** Questions from potential bidders are due via email to contracts&grants@michigan.org. **Please note:** The Michigan Strategic Fund (MSF) 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.
- **March 9, 2009, 5:00 p.m.:** Responses to all qualifying questions will be posted on the MEDC's Web site, www.TheMEDC.org/2009BusinessandTravelRFP.
- **March 30, 2009, 5:00 p.m.:** **Seven** copies of your proposal must be received by the MSF via CONTRACT CARRIER, COURIER DELIVERY, PERSONAL DELIVERY, or U.S. POSTAL SERVICE.

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REQUEST FOR PROPOSALS
MSF Business and Travel Marketing
Doc-1735

This RFP is issued by the MSF Board pursuant to its authority under the Michigan Strategic Fund Act (Act). The MSF Board or its designated Contract Manager is the sole point of contact with regard to all matters relating to this RFP. The MSF Board is the only entity 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 ("Contract"). The MSF Board or its designated Contract Manager will remain the sole point of contact throughout the bidding process. All communications concerning this RFP must be addressed to:

Michigan Strategic Fund
Contracts & Grants
300 North Washington Square, 2nd Floor
Lansing, Michigan 48913
contracts&grants@michigan.org

The MEDC, a public body corporate, provides administrative services associated with programs and activities of the Act to the MSF.

Section I
WORK STATEMENT

A) PURPOSE

The purpose of this Request for Proposals (RFP) is to obtain quotations for the MSF, a public body corporate and politic within the Department of Treasury, State of Michigan, to develop and execute both travel leisure and business marketing campaigns and promotions. The MSF Board or its designee reserves the right to negotiate proposed pricing with any bidder or to reject all bids.

The contract(s) awarded from this solicitation will be a lump sum/fixed price contract.

B) BACKGROUND STATEMENT AND OBJECTIVES

Summary

The Michigan Strategic Fund (MSF) desires to develop or implement 1) a fully integrated travel marketing and promotional campaign that will influence travelers to visit Michigan and generate inquiries to the Web site; or 2) a business development marketing campaign to increase, among business leaders, the positive perception of Michigan as a desirable place to do business and generate new business development leads. While MSF funding for these programs is limited, the MSF Board is seeking a qualified contractor and partner to assist in marketing both programs when funding becomes available.

Travel Marketing Background Statement

The health of the tourism industry is crucial to Michigan's economy. Overall, tourism contributes \$18.1 billion in visitor spending to the state's economy annually, accounting for 192,000 jobs and generating \$874 million in state tax revenues. In 2007, Michigan was ranked 17th nationally in tourism office budgets. In order to ensure that Michigan remains competitive and travel continues to be a major contributor to the economy, the State of Michigan launched a new branding campaign for tourism, Pure Michigan. This campaign has proven to be both effective and popular. Travel Michigan plans to maintain and continue with the Pure Michigan brand.

The state's tourism mission is to increase visitor spending in Michigan. The overall marketing goals are to sell Michigan as the heartland's premier 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 state desires to apply an integrated marketing approach that includes research, electronic media (television, cable and radio), magazine, newspaper, e-marketing (e-newsletter campaigns, web promotions and social media marketing), outdoor advertising, an annual lure publication (*Michigan Travel Ideas*), media and public relations campaigns, 14 Michigan Welcome Centers and a toll-free information number.

Over the past seven years, michigan.org has become the primary vehicle used by consumers to plan a Michigan vacation. Over 90% of all tourism inquiries made to the state are generated by the Web site, michigan.org. Web inquiries have increased to

more than 11.7 million web visits in 2008.

All marketing efforts direct potential travelers to the Web site with the tag “your trip begins at michigan.org”. The state developed the Web site to provide prospective visitors an online tool to gather travel information to plan their Michigan vacations. As Michigan's Internet gateway to travel information, michigan.org features more than 12,000 attractions, events, hotels, resorts, restaurants 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 state. This has eliminated the need for a massive fulfillment operation and the expense of most brochures and printed materials.

Michigan has 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 state tracks click-throughs for every travel industry property on michigan.org and provides a quarterly click-through report to each property and convention and visitor bureau.

For the past 16 months, Travel Michigan has purchased data related to the Web site, michigan.org, from Hitwise, a vendor that tracks consumer volumes to popular Web sites. They provide monthly reports tracking our web volume as compared to the 49 other state tourism Web sites. According to Hitwise, michigan.org received the most traffic of any state tourism Web site in 2007. Of the 50 U.S. state tourism Web sites, michigan.org averaged 8.68% of market share of U.S. visits for 2007.

To promote michigan.org, Michigan's advertising programs have included seasonal in-state, regional and national paid advertising campaigns (See media plans, print ads, outdoor boards at travelmichigannews.org/marketing. Television and radio can be found by clicking View Our Ads at the top of the michigan.org Web site.)

Marketing efforts focus on reaching Michigan's most high-valued customers and converting them into Michigan travelers. This results in greater market penetration in the highest potential spending markets. Travel Michigan 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.

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, Illinois, Indianapolis, Indiana, Milwaukee, Wisconsin, Cincinnati, Cleveland, Columbus and Dayton, Ohio, Southern Ontario, and St. Louis, Missouri.
- **Feeder markets** – Nearby markets that feed Michigan with high volumes of travel.

- They include Toledo, Ohio, South Bend and Fort Wayne, Indiana, and Green Bay, Wisconsin.
- **National -- Cable only** – Golf Channel, Travel Channel, Style, Fine Living, HGTV, Food Network, CNN, MSNBC and FOX News.
 - **In State markets** – Markets within Michigan that feed a large percentage of Michigan travel. They include Detroit, Saginaw / Bay City / Flint, Kalamazoo/Battle Creek, Lansing, Grand Rapids and Traverse City.

The target audience is women 25-54 with a slight skew towards adults 25-54.

Within the Awareness and National market advertising campaigns the objective is to raise awareness of Michigan as a desirable travel destination, then drive consumers to michigan.org, for additional information. This has been achieved through television, cable, radio, newspaper, e-marketing, pay-per-click/Search Engine Optimization and public relations. Given the feeder markets' high awareness and familiarity with Michigan, the advertising campaign objectives are to increase travel volume and the length of stay by promoting 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 and the many vacation destinations around the state. Some television, outdoor advertising, radio, a statewide Summer Travel Guide (newspaper insertion), e-newsletter marketing and public relations have made-up the in-state campaign.

In 2006, the State of Michigan and MSF launched a new branding campaign for tourism, Pure Michigan. (Brand document can be found at travelmichigannews.org/marketing). This campaign has proven to be both effective and popular. The campaign is intended to entice out-of-state travelers to discover a vacation destination that is still magic, mythic, authentic, untamed, unspoiled, uncompromised, timeless and true. The goal is to communicate to consumers what makes Michigan special and identify experiences you get in Michigan that you can't get anywhere else.

The Pure Michigan tourism promotion advertising has produced positive results and significant increases in funding for Michigan tourism promotion in recent years. The tourism promotion budget was less than \$6 million in fiscal year 2005; the budget for fiscal year 2009 is \$30 million. This increase in funding has meant a dramatic expansion in the campaign's scope and reach. In fiscal year 2005, Michigan only had funding to be active in three primary out-of-state markets – Chicago, Indianapolis and Cleveland. In fiscal year 2009, Travel Michigan is advertising in nine primary markets – Chicago, Indianapolis, Cleveland, Cincinnati, Columbus, Dayton, St. Louis, MO, Milwaukee and Ontario, Canada. Travel Michigan has also implemented the first winter advertising campaign in 15 years. And, most importantly, for the first time in the state's history, a national cable advertising promoting Michigan summer travel begins March 30, 2009.

In addition, the Pure Michigan campaign has been recognized with numerous awards, including three Mercury Awards from the Travel Industry Association of America: "Best State Tourism Advertising Campaign", "Best State Tourism Television Advertising", and "Best State Tourism Radio Advertising."

According to a recent study conducted by Longwoods International, a research firm

specializing in tourism advertising return on investment, during 2004 – 2007 more than 3.8 million visitors, who would not have traveled to Michigan otherwise, spent more than \$800 million statewide at Michigan businesses as a direct result of the Travel Michigan advertising program. Travel Michigan spent \$20 million on advertising in its primary out-of-state markets (Chicago, Cleveland, Indianapolis, Milwaukee and Cincinnati) during that four year period, and the new travel and visitor spending generated by that advertising put an additional \$56.4 million into the state treasury. The research has proven that for every advertising dollar spent in these key out-of-state markets, \$2.82 came back to the State of Michigan in the form of new tax revenue.

In response to budget issues and the desire to further collaborate with local travel destinations, the state developed a tourism industry dollar-for-dollar matching fund partnership program in 2002. The Partnership program began with two partners contributing \$150,000 in private-sector funds and has expanded to twenty partnerships in 2009 contributing more than \$1.6 million in private-sector funds to the overall Pure Michigan marketing efforts. Each partnership is required to strategically fit Michigan's existing marketing strategy, target markets and the Pure Michigan advertising campaign. Individual campaigns utilized various media approaches, i.e., television, radio, billboards, print and e-marketing. The partnership campaigns are designed to cut through the clutter, promote Michigan's Partnership's (Featured Destinations) and michigan.org as a vacation planning tool (travelmichigannews.org/marketing). The advertising agency is responsible for working with the state and its partners to implement the Marketing Partnership Program including billing individual partners for their portion of the partnership, developing for each individual partnership a creative strategy, media plan, creative execution, ad placement and reporting when requested.

Along with paid advertising campaigns, partnerships, and alliances, the state conducts a wide variety of additional programs to increase travel that do not fall under the purview of this contract. These programs include research, information servicing, fulfillment, *Michigan Travel Ideas*—the annual lure publication—a variety of media and public relations activities and online marketing that encompasses pay-per-click, SEO, email marketing and social media marketing. Web site development and maintenance as well as e-newsletter development are in-house operations. Travel Michigan has both in-house and contract research capabilities. Other marketing programs are implemented with the assistance of contractors including the media public relations efforts, the lure publication, *Michigan Travel Ideas* including editorial, production and distribution and online marketing.

To maintain its competitive edge, the State of Michigan is in need of an advertising agency that will continue the Pure Michigan campaign in close collaboration, in a team-oriented environment, with its research contractor, e-marketing/social media contractor, public relations firm, travel industry partners, and customers to achieve its mission to increase Michigan's share of visitors and expenditures for the next two years. The MSF does not possess the overall resources needed to develop and execute advertising campaigns. For this reason it is seeking a qualified agency to assist in the creation and implementation of travel advertising and marketing campaigns when funding becomes available.

Travel Marketing Objectives

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

Travel Michigan Overall Fiscal Year 2009 Objectives:

1. Continue a Pure Michigan-branded direct response advertising campaign effectively deployed in research-indicated best markets. Launched a regional winter campaign in November 2008 and Michigan's first-ever national cable television campaign in spring 2009. Measurement will be via annual ROI studies with an outside research firm. With additional staffing, continue to expand the partnership advertising program. Measurement will be via partner retention and recruitment. Create a youth marketing strategy, aimed at the 25 to 35 year old age cohort.
2. Continue to refine the Pure Michigan branded michigan.org tourism Web site launched in 2008, including adding more urban content and more outdoor recreation content in advance of the national advertising campaign. Measurement will be via consumer usability testing.
3. Build on current e-marketing initiatives, including areas such as e-newsletters, SEO, 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. Develop and implement an integrated Pure Michigan branding strategy designed to enhance and sustain the brand. This strategy will include branding activities by Travel Michigan and adoption of the brand by the private sector. Measurement will be how well the plan is developed and implemented.
5. Facilitate the Michigan Travel Commission's implementation of the Michigan Tourism Industry Strategic Plan. Measurement will be via feedback from the Commission and research regarding customer satisfaction with our assistance.

Business Marketing Background Statement

The State of Michigan, through the MSF and Michigan Economic Development Corporation (MEDC), has been recognized as having one of the most effective economic development organizations in the nation. In addition, the state's innovative programs and initiatives have propelled it to recognition among business executives, site consultants and the national media. *Site Selection* magazine, historically has rated Michigan as one of the top states in the nation for new corporate locations and expansions. The MEDC has successfully marketed their incentives and unique programs generating an increased number of key projects in their defined sectors (alternative energy, advanced manufacturing, life sciences and homeland security and defense).

The following are other examples of Michigan's achievements and recognitions in recent years:

MEDC Wins 2008 State of the Year Award

K-Dow Petrochemicals, \$11 billion investment
Business Facilities (December 2008)

MEDC Wins 2007 Corporate Investment Award

Hemlock Semiconductor expansion, \$1 billion investment
Trade & Industry Development (2008)

MEDC, Saginaw Future Share Economic Development Award

Leadership in securing Hemlock Semiconductor, \$1 billion investment
CoreNet Global (May 2008)

Michigan Among Top States for Info Tech, Science Jobs – 2006

Ann Arbor #13 of Top Ranked Metro Areas for Science, Engineering Jobs
Michigan #15 State in Software, Info Tech Employment
Site Selection (May 2008)

Michigan Takes Spot on Top 10 Deals List for 2007

Hemlock Semiconductor expansion, \$1 billion investment
Site Selection (May 2008)

The state works very closely with Michigan's business community. Business development managers visit nearly 3,000 Michigan businesses each year to offer assistance and resources, working with these businesses to stay and grow in Michigan. Michigan's Brownfield redevelopment program, using some of the nation's most powerful Brownfield redevelopment laws, has transformed thousands of contaminated, blighted and functionally obsolete properties into economically viable developments.

Michigan is a state in transition, from a low-tech, manufacturing-based economy to the high-tech economy needed for the 21st century. The 21st Century Jobs Fund is a unique \$2 billion initiative that leverages the state's tobacco settlement revenue to create thousands of new jobs and diversify Michigan's economy. The fund, which replaced the Technology Tri-Corridor initiative, focuses resources on the commercialization of four competitive-edge technologies: life sciences, alternative energy, advanced manufacturing and homeland security and defense. From 2000 to 2008, the Technology Tri-Corridor and its predecessor Life Sciences Corridor, created to foster high-tech collaboration, awarded over \$300 million for research and commercialization projects.

The MEDC through its business development managers and national and international attraction team encourage 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:

#4 State for Engineering Degrees

American Association of Engineering Societies (2007)

Ann Arbor #1 on List of Top Knowledge Worker Metros

Up from #3 in 2006

Lansing, Kalamazoo Also Among Top Metros

Expansion Management (2007)

Kettering #1 University for Industrial, Manufacturing Engineering

"America's Best Colleges Guide"

U.S. News & World Report (2007)

Previous economic development marketing campaigns focused on three distinct audiences: C-level international, national and Michigan business executives; site selection consultants; and high-tech college students.

The national campaign was designed to change the perception of Michigan as a manufacturing focused economy to one that fosters high-tech business growth. This campaign included media placements in TV, radio and focused print publications.

The Michigan-based campaign was designed to promote the diversification of existing businesses using the MEDC tools and incentives – including TV, radio, print, e-marketing and new collateral material.

Although Michigan has an impressive track record, much more work still needs to be accomplished to achieve national recognition as top a 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, work and play by both business executives and college students.

Taking this into account, Michigan's economic development marketing campaign must continue to focus on improving the state's overall image amongst business executives. The national and in-state campaign 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 international business development managers.

The Governor's 21st Century Jobs Fund has leveraged the state's former Michigan Technology Tri-Corridor success, providing competition for technology funding in high-growth sectors that include life sciences, alternative energy, advanced manufacturing and homeland security and defense. This unique program needs to be incorporated into the messaging for future campaigns.

Business Marketing Objectives

For economic development, the main objective of this RFP is to assist the State of Michigan in continuing the implementation of a marketing program to improve, among business leaders, the positive perception of Michigan as a desirable place to do business and to increase national and international business development leads.

Strategic priorities are to:

1. Raise brand awareness and recognition of Michigan as a desirable business location both nationally and internationally and to create measurable outcomes including:
 - a. An in-state marketing campaign to Michigan business executives that maintains name awareness of the State of Michigan and its economic development resources and effectively promotes those products and services.
 - b. A marketing campaign targeting technology business executives, both in-state, nationally and internationally resulting in Michigan ranking among the top 10 states as a favorable business location for their industry sector.
 - c. A site consultants' marketing strategy that results in Michigan ranking among the top 5 states as a high tech business location.
2. Develop a trackable media buy and strategy that will assist in developing new business development leads in targeted industry sectors, in-state, nationally and internationally.
3. Develop and produce collateral materials that integrate effectively with the campaign by working with the State of Michigan, MSF and MEDC marketing staff on coordinating collateral materials with marketing campaign themes.

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 **March 4, 2009**. **Questions must be submitted to:**

Contracts and Grants
contracts&grants@michigan.org

B) PROPOSALS

To be considered, Bidders must submit a complete response to this RFP, using the format provided in Section III of this RFP by **5:00 p.m.** on **March 30, 2009**. No other distribution of proposals is to be made by the Bidder.

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 **March 30, 2009**. The rates quoted in the PRICE PROPOSAL remain firm for the period indicated in Section III.

Please Note: Purchasing operations also reminds vendors that any company recommended for award must be **Electronic Funds Transfer (EFT)** compliant by the time state administrative board approval has been obtained. In the event that the EFT compliance is not met, the state may withdraw the original recommendation, resubmit, and award instead to a company which is compliant.

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 MSF Board. 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 JEC will make recommendations to the MSF which will make its decisions by resolution.
- c) Preference may be given to services offered by Michigan-based firms.
- d) As required by Section 261(8) of the Management and Budget Act 431 of 1984, the MSF shall give a preference of up to 10% of the amount of the contract to a qualified disabled veteran. If the qualified disabled veteran otherwise meets the requirements of the contract solicitation and with the preference is the lowest bidder, the MSF shall enter into a procurement contract with the qualified disabled veteran under this act. If 2 or more qualified disabled veterans are the lowest bidders on the contract, all other things being equal, the qualified disabled veteran with the lowest bid shall be awarded the contract under this act. Qualified disabled veteran means a business entity that is 51% or more owned by 1 or more veterans with a service-connected disability. This means a disability incurred or aggravated in the line of duty in the active military, naval or air service as described in 38 USC 101(16).

Based on what is in the best interest of the MSF, the MSF will award the Contract considering price, value, and quality of proposals that were approved as a result of this two-step evaluation process.

E) BIDDER'S COSTS

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

F) TAXES

The MSF 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 MSF.

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 MSF and the Bidder owes no outstanding debt to the State, or the MSF.

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 MSF 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 MSF regarding possible conflicts of interest which may arise as a result of such change and agrees that all conflicts shall be resolved to the MSF's satisfaction or the Bidder may be disqualified from consideration under this RFP. As used in this Section, "conflict of interest" shall include, but not be limited to, the following:

- (i) Giving or offering a gratuity, kickback, money, gift, or any thing of value to a MSF official, officer, or employee with the intent of receiving a contract from the MSF 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 MSF 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 MSF 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 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 MSF 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 MSF 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 MSF 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 MSF, 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 MSF will not respond to telephone inquiries or visitation by Bidders or their representatives.

The MSF does not commit to answering questions received after the date and time specified in Section II-A.

N) SEALED BID RECEIPT

SEALED PROPOSALS MUST BE RECEIVED AND TIME-STAMPED BY THE MSF, CONTRACT AND GRANTS, ON OR BEFORE **5:00 p.m.** on **March 30, 2009**. THE MSF HAS NO OBLIGATION TO CONSIDER ANY PROPOSAL THAT IS NOT RECEIVED BY THE APPOINTED TIME.

O) RESERVATION OF MSF DISCRETION

Notwithstanding any other statement in this RFP, the MSF 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. revise 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 MSF. 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 MSF is not required to take into consideration any material filed by any party after the protest deadline. The MSF's President 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 MSF.

In fairness to Bidders who meet specifications and to prevent delays in procurement, the MSF 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 MSF.

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.

The Bidder may submit a proposal for the Travel Marketing portion, the Business Marketing portion or a proposal that has the two combined.

Each section of the proposal should be clearly identified with appropriate headings:

A) STRATEGIC IMPLEMENTATION

Travel Marketing

Utilizing the existing Pure Michigan brand, media assets (TV and radio, print and out of home and internet), target audiences and target markets describe and detail an annual travel marketing plan including strategy and media buy based on each of the following advertising budgets:

- 1) \$20,000,000
- 2) \$30,000,000
- 3) \$40,000,000

Business Marketing

Utilizing the existing Upper Hand brand, media assets (TV, radio and print), target audiences and target markets describe and detail an annual business marketing plan including strategy and media buy based on each of the following advertising budgets:

- 1) \$ 5,000,000
- 2) \$ 7,500,000
- 3) \$10,000,000

B) 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 in 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 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 MSF 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 MSF.
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.
11. Qualified Disabled Veteran – The Bidder must identify if the business entity is 51% or more owned by 1 or more veterans with a service-connected disability, as defined in Section II D(2)(d) of this RFP.

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

THE PRICING PROPOSAL MUST BE LABELED, BOUND, SEALED, 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.

D) PROPOSAL SUBMITTAL

Submit **seven** of your Technical Proposal and **seven** of your separately sealed Price Proposal in accordance with the following instructions:

SEALED BIDS (PROPOSALS) MUST BE RECEIVED AND TIME-STAMPED BY THE MSF, CONTRACTS AND GRANTS, NOT LATER THAN **5:00 p.m. ON March 30, 2009**. THE MSF 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: "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 DELIVERY, or U.S. POSTAL SERVICE is:

Michigan Strategic Fund
Contracts & Grants
300 N. Washington Square, 2nd Floor
Lansing, Michigan 48913

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 MSF Professional Services Contract (the “Contract”) upon execution of the Contract by the MSF and Bidder. The standard terms and conditions of the Contract are attached to this RFP as Attachment A. The MSF, 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, 2009 through September 30, 2010. There will be an option to renew this contract for up to two additional years.
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 Web site (www.cpexpress.state.mi.us).
4. Modification of Service – The MSF 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 MSF. Changes may be increases or decreases.

In the event changes are not acceptable to the MSF, the contract shall be cancelled and the modified Contract shall be subject to competitive bidding based upon the new specifications.

5. Subcontracting – The MSF 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 MSF finds to be unacceptable.
6. Award of Contract – Upon receipt of a recommendation from the JEC, the MSF, in its sole discretion, will reserves award a Contract including all or part of the proposal submitted in response to this RFP 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 MSF 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 MSF's designated Contract Manager.
- b) The MSF 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 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 MSF for contract, and must include the following:
 - i) The Contractors 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 MSF.
 - 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 STRATEGIC FUND
PROFESSIONAL SERVICES CONTRACT WITH
"Name of selected vendor"

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

NATURE OF SERVICES

To provide a business and/or travel marketing campaign and promotions associated with the campaign.

PERFORMANCE SCHEDULE

Starting Date: October 1, 2009

Ending Date: September 30, 2010

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

COMPENSATION INFORMATION

- A) The MSF agrees to pay Contractor an amount not to exceed **\$(CONTRACT AMOUNT)** during the Term. This amount includes all expenses payable under this Agreement. The budget ("Budget") is included as Exhibit A and incorporated by reference. **At least 80% of the funds committed under this Contract for business development and business marketing costs must be targeted to persons or entities outside the State of Michigan. No funds available under this Contract that are targeted to a media market in the State of Michigan can be used for any business development and business marketing effort that includes a reference to or the image or voice of an elected state officer or a candidate for elected state office.**
- B) Payment under this Agreement shall be made by the MSF to Contractor upon receipt and approval by the Contract Manager of Contractor's monthly billing statement signed by the Contract Manager stating that the work for which payment is requested has been appropriately performed. All expenditures of the MSF funds may be made up to a total of 85% of the Agreement. The billing statement must show funds received to date, project expenditures to date, and tasks completed to date. Payment of the final 15% of the Agreement amount shall be made only after the satisfactory completion of the required work, including all reports, and the submission of a final invoice. When applicable, the Contract Manager shall approve a final report from the Contractor.

- C) Public Act 533 of 2004 requires that payments under this Agreement be processed by electronic funds transfer (EFT). Contractor is required to register to receive payments by EFT at the Contract & Payments Express Web site (www.cpexpress.state.mi.us). Changes in the budget will be allowed only upon prior review and written approval by the MSF.
- D) Contractor's billing statement(s) and proof of services may be subject to a final audit prior to the release of final payment.

MSF CONTRACT MANAGER

Under the Memorandum of Understanding between the MSF and the Michigan Economic Development Corporation, the MEDC shall provide administrative services to the MSF as the Contract Manager of this Agreement. Contractor should communicate with the following MSF representative or designee regarding this Agreement:

Lisa Dancsok
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, Michigan 48913
Telephone: (517) 373-1531

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 MSF 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; and any problems, real or anticipated which should be brought to the attention of the MSF 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 MSF due to this Agreement and the relationship between Contractor and MSF. 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 MSF 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 MSF and the MSF 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 MSF 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 MSF in the professional skills necessary to perform the services required by this Agreement;
6. Neither Contractor nor Contractor's employees or contract personnel shall be required by the MSF 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 MSF.

The Parties acknowledge and agree that the MSF 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 of this Agreement.

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 MSF 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 MSF, Contractor shall provide the MSF 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 MSF or MEDC.

G) Workers' Compensation

The MSF or 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 MSF may, in its discretion, require Contractor to provide evidence of such coverage.

H) Unemployment Compensation

The MSF or 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 MSF 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 MSF, 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 MSF 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 MSF, in its sole discretion, determines has or could have an adverse impact on the State of Michigan's (the "State") or the MSF's reputation or interests. In addition, the MSF may immediately terminate this Agreement upon written notice to Contractor without further liability to the MSF 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 MSF, reflects on Contractor's business integrity.

Contractor acknowledges that MSF's performance of its payment obligation is dependent upon the MSF's continued approval of funding and/or the MSF'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 MSF: (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 MSF's ability to perform obligations under this Agreement, then the MSF 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 MSF 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 MSF will make payment through the effective date of termination for any undisputed services rendered and expenses incurred.

The MSF 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 MSF. Payment for any undisputed services rendered and expenses incurred through the effective date of termination will then promptly be made by the MSF.

K) MSF and MEDC Employees

Contractor will not hire any employee of the MSF or MEDC to perform any services covered by this Agreement without prior written approval from the President of the MSF.

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 MSF or MEDC (collectively "Confidential Information") without the prior written consent of the MSF. 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 MSF or 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 MSF, Contractor affirms that neither the Contractor, nor its subsidiaries, 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 subsidiaries, 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 subsidiary or 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 MSF 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 MSF's satisfaction or the MSF 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 a 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; and
5. Is not in material default or breach of any other contract or agreement that it may have with the State of Michigan, the MSF or any other public body. Contractor further represents and warrants that it has not been a party to any contract with the State, the MSF or other public body that was terminated within the previous five (5) years due to the Contractor's 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 MSF 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 MSF 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 MSF. Contractor agrees that any of Contractor's future successors or subcontractors will be bound by the provisions of this Agreement unless MSF otherwise agrees in a specific written consent. The MSF 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 MSF 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 Michigan Court of Claims, or as appropriate, 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 MSF, nor shall they have any authority to take any action or enter into any agreement on behalf of MSF.

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 MSF, MSF shall have no further obligation to make any payments to Contractor. Furthermore, Contractor shall reimburse MSF 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.

Z) Extension

At the discretion of the MSF Board, there is an option to renew for up to two additional years at the same annual fixed rate agency fee as Fiscal Year 2009.

(Remainder of page intentionally left blank)

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 MSF 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 _____